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CHILDREN'S HEALTH INITIATIVE

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REQUEST FOR PROPOSALS

September 30, 1993

COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
DEPARTMENT OF MEDICAL SECURITY

William F. Weld, Governor
A. Paul Cellucci, Lt. Governor

Charles D. Baker, Secretary
Jeffrey W. Ritter, Commissioner

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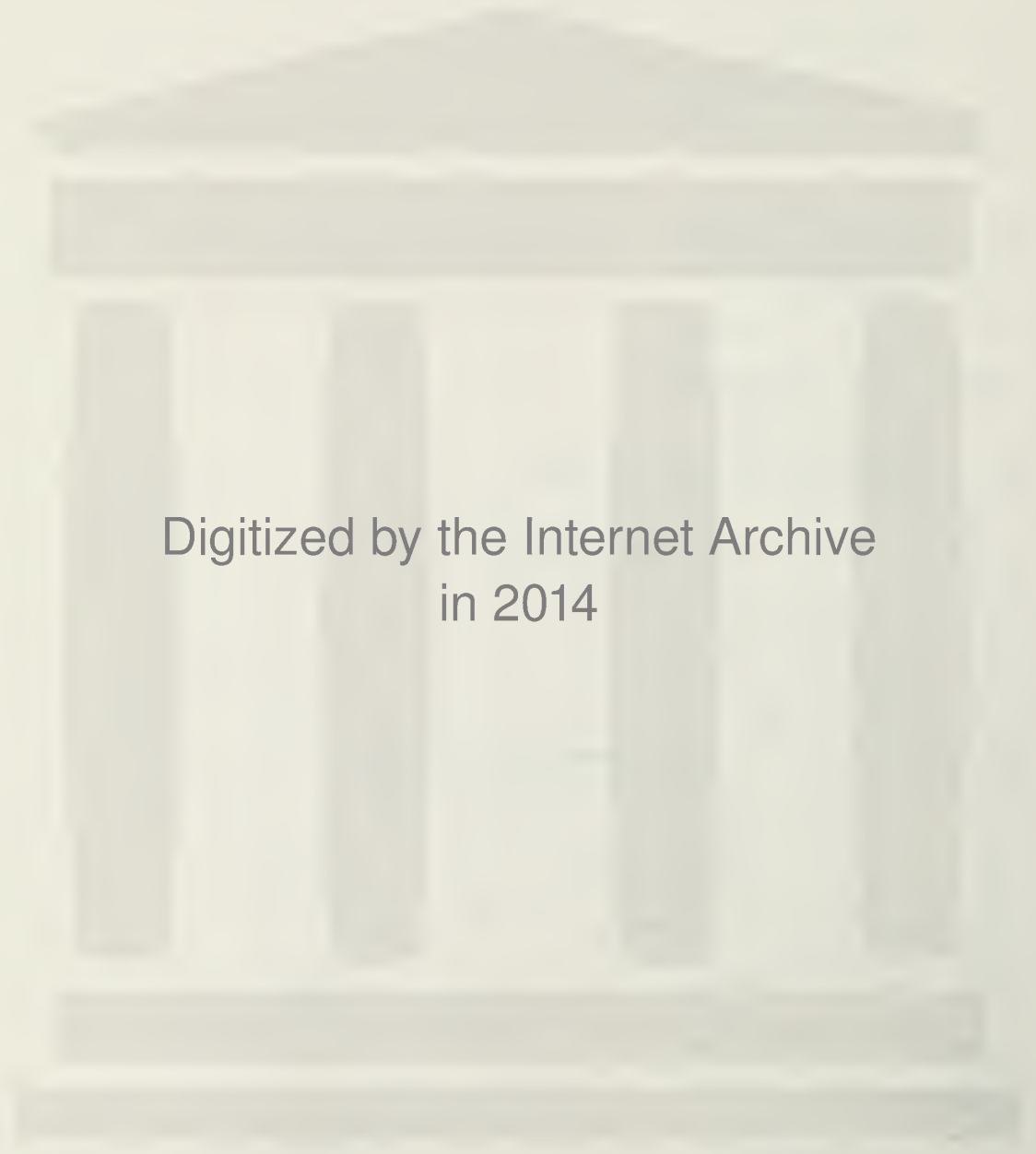

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LIST OF ATTACHMENTS

Attachment A:	Scope of Services
Attachment B:	Sample Implementation Plan
Attachment C:	Cover Sheet with Certification Statements
Attachment D:	Federal Poverty Income Guidelines
Attachment E:	Premium Worksheet
Attachment F:	Standard Contract - Long Form
Attachment G:	References

1. INTRODUCTION

1.1. BACKGROUND

Under the authority of Chapter 118F Section 17B, DMS will implement a new statewide health insurance program for uninsured dependent and adoptive school-aged children, age six through twelve. The Children's Health Initiative will provide access not only to preventive and primary care services, but also will include emergency care, outpatient surgery, mental health and prescription drug services, and smoking education programs. A complete description of services covered under the Children's Health Initiative is contained in Section 3.2. of Attachment A.

DMS will enter into contracts with insurance carriers for the purpose of establishing a plan to cover children in this age group who lack this health insurance coverage.

1.2. DESCRIPTION OF THE PROBLEM

The trend in the decline of private health insurance coverage for children identified by Cunningham (1990) is projected to increase during the 1990's. This trend has implications for children's health status in Massachusetts. It is known that children who lack health insurance are less likely to have an established relationship with a physician, to have well-child visits, or to obtain treatment from a physician for such conditions as asthma and ear infections. In addition, these children use significantly fewer prescription drugs, have lower immunization rates and suffer from a lack of early detection of preventable diseases. (Monheit and Cunningham, 1992)

Many states have recognized the problem of children's access to medical care. At least twenty states, including Massachusetts, have implemented children's health plans, many of which are insurance programs. (Butler, 1993) It is clear that states are initiating children's health plans "because health plays such a pivotal role in the development and well-being of children" and because lack of health insurance coverage creates disparities in children's access and use of health care services. (Packard Foundation, 1992; Monheit and Cunningham, 1992)

DMS intends to address the continuing problem of uninsured children in Massachusetts by providing health insurance coverage to uninsured children age six through twelve. DMS will achieve this goal through the implementation of the **Children's Health Initiative** Program. The following sections of this RFP provide prospective bidders with the specifications for this new children's health initiative.

1.3. GOALS OF THE CHILDREN'S HEALTH INITIATIVE

DMS will implement the Children's Health Initiative to address the barriers of access to preventive and primary care services for uninsured dependent and adoptive children from age six through twelve in Massachusetts. The goals of the Children's Health Initiative are to:

- provide access to preventive and primary care services for uninsured children in Massachusetts
- improve the health indices of participating children

- create an effective private program that provides health insurance coverage to a segment of the population that lacks basic health care coverage

1.4. SCOPE OF WORK

It is the intent of the Department to standardize, to a considerable degree, the Scope of Services of any contracts that will be awarded as a result of this RFP. Therefore, the Department has developed standardized language and requires, at a minimum, the following:

The Department will require bidders to agree to the language contained in the Scope of Services in Attachment A. The language in Attachment A together with the language bidders submit in response to Section 3, Proposal Requirements, that is agreed to by the Department, will form the contracted agreement between any selected insurance carrier and the Department. **ALL BIDDERS WHO WISH TO BE CONSIDERED AS CONTRACTORS FOR THE CHILDREN'S HEALTH INITIATIVE MUST AGREE TO THESE CONDITIONS IN THEIR ENTIRETY.**

1.5. ELIGIBLE BIDDERS

Insurers interested in providing coverage for services under this program must be licensed in Massachusetts to provide health insurance as one of the following:

- Health Insurance Companies Any company as defined in Chapter 175 of the Massachusetts General Laws which engages in the business of health insurance

- Hospital Service Corporations Any corporation established for the purpose of operating a non-profit hospital service plan as provided for in Chapter 176A of the Massachusetts General Laws

- Medical Service Corporations Any corporation established for the purpose of operating a medical service plan as provided for in Chapter 176B of the Massachusetts General Laws

- Health Maintenance Organizations Any company which provides or arranges for the provision of health care services to enrolled members in exchange primarily for a prepaid per capita or aggregate fixed sum as further defined in Chapter 176G of the Massachusetts General Laws

- Preferred Provider Arrangements Any insured health benefit plan that includes a preferred provider arrangement which complies with the requirements of Chapter 176I of the Massachusetts General Laws.

Although DMS will not entertain bids from organizations that are not health insurance carriers, the Department recognizes that other organizations and individuals, such as health care providers, community groups, business and trade organizations, third party administrators and advocacy groups, will play vital roles in the development and implementation of the Children's Health Initiative. These roles include encouraging insurers and these other organizations to participate by: delivering health care to the uninsured; promoting and selling new insurance products; administering some component of a new or expanded insurance program; and evaluating the success or failure of the initiative.

The Department acknowledges and encourages all such activities as vital to the success of the Children's Health Initiative. Some of these activities may even be addressed in an eligible bidder's proposal through a subcontract with a non-insurance carrier. DMS encourages all such non-insurance carriers to work with eligible bidders in an effort to more fully address the goals of this program. However, the Department intends to contract directly only with health insurance carriers that meet the criteria described above.

1.6. CONTRACT REQUIREMENTS

To participate with the Department in offering the Children's Health Initiative, bidders must accept the mandatory contract provisions in the state standard contract-long form, found in Attachment F. In addition, bidders must agree to the contract language in the Scope of Services found in Attachment A of this RFP. Bidders can meet these requirements by signing Attachment C, Cover Sheet. The language in Attachment A together with the language bidders submit in response to Section 3, Proposal Requirements, that is agreed to by the Department, will form the contract between any selected insurer and the Department.

The cost proposal and the bidder's responses to the financial arrangements section of the program proposal will form the basis for the budget in the contract between the Department and the vendor. The budget will be comprised of the following elements:

1.6.1 Premium

- 1.6.1.1. Total Premium Contribution
- 1.6.1.2. Premium Calculation
- 1.6.1.3. Premium Rate for Year Two
- 1.6.1.4. Tiered Premiums

1.6.2. Premium Billing Arrangement

- 1.6.2.1. Payments by Purchasers
- 1.6.2.2. Payments by Department

1.6.3. Billing Methodology

- 1.6.3.1. Billing Purchasers
- 1.6.3.2. Billing the Department

1.6.4. Collection of Co-payments

1.6.5. Coordination of Provider Payments

1.6.6. Maximum Obligation

2. PROGRAM DESCRIPTION

The Department intends to sponsor one or more health insurance plans for uninsured children age six through twelve. The number of plans and the enrollees in each will depend on the proposals received and the outcome of the deliberations of the selection committee.

As stated earlier, the Scope of Services found in Attachment A of this RFP describes the contract language to which bidders are expected to agree. Within these parameters, bidders are encouraged to be creative. The Department does not envision the development of wholly new insurance plans, but rather seeks the use of existing products and systems, adapted to meet the requirements of this RFP.

At a minimum, the Department seeks a plan that offers a package of covered services as described below, as well as program administration which includes but is not limited to marketing and outreach, enrollment, and data collection and reporting activities. Sections 2.1 through 2.5 provide a description of the Children's Health Initiative and outline the responsibilities of any vendor selected to provide insurance under this program. To be selected the bidder must demonstrate the capability to offer the services and perform the activities required in sections 2.1 through 2.5.

2.1 COVERED SERVICES

The Children's Health Initiative will provide coverage for preventive and primary care services for children from age six through twelve based upon the recommendations of the American Academy of Pediatrics. These covered services are detailed in Section 3.2.1 of the Scope of Service found in Attachment A and will include, at a minimum, the following:

- *Preventive Services*
- *Primary Care*
- *Emergency Care*
- *Outpatient Surgery*
- *Mental Health Services*
- *Pharmacy*
- *Smoking Cessation Program*

2.2. SERVICES NOT COVERED

The children's health insurance program will <u>not</u> cover the following services:

- inpatient hospitalization
- custodial care
- personal comfort items

- experimental services
- cosmetic surgery
- organ transplants
- ambulance services
- eyeglasses, or hearing aids
- durable medical equipment
- dental care
- therapeutic services such as chemotherapy, hemodialysis, radiation therapy, occupational therapy and physical therapy
- services which are not medically necessary for the diagnosis, treatment or prevention of illness or injury.

2.2.1. Underwriting Practices

No child may be denied coverage to this program due to health status.

Because the focus of this initiative is on prevention and primary care, the Department does not envision the need for underwriting provisions in this program. It will, however, consider such provisions if the bidder feels that the needs of the uninsured population cannot be addressed without underwriting limitations. The bidder will be responsible to propose any underwriting limitations on coverage, such as pre-existing condition limitations, and waiting periods. Any such limitations proposed by the bidder must be agreed to by the Department. Note, however, that the Department will give preference to those proposals which do not include, or at least minimize, such limitations.

2.2.2. Access to services not covered

Those individuals in need of access to services which are not covered under the Children's Health Initiative may be eligible for free care through acute care hospitals or community health centers. Eligibility for free care is based on income and family size. Individuals who do not meet the eligibility guidelines established for free care may be required to pay out-of-pocket for those services not covered under the Children's Health Initiative. Vendors are encouraged to inform enrollees of services which are available to them but are not covered by the insurance plan under this program.

2.3. PROGRAM ADMINISTRATION

The vendor will be responsible for administration of the insurance plan, including marketing, determination of eligibility, enrollment, billing, and benefits administration.

2.3.1. Marketing and Outreach

The vendor will be responsible for the development of a multi-media marketing and outreach plan which will inform prospective participants about the availability of the program, attract them to the program and assist them in the enrollment procedures. Bidders are requested to pay special attention to the characteristics of the uninsured population and to demonstrate how the marketing and outreach efforts are linguistically and culturally appropriate for this population. For the purposes of this RFP, linguistically and culturally appropriate means the capability to communicate with potential non-English speaking applicants in their native languages and in a manner that is sensitive to their cultural needs. Preference will be given to those organizations which demonstrate commitment, creativity and involvement of

community-based organizations in marketing and outreach activities.

The Department envisions that a major focus of the marketing effort will be community outreach activities. This includes, but is not limited to, outreach to parents' organizations at schools, local school districts, child care centers, churches, area advocacy groups, state agencies that serve children, ambulatory care sites, and other community based organizations.

In the event that multiple contracts are awarded, the vendors will be required to coordinate ongoing marketing, outreach and publicity under the direction of the Department.

In addition, each vendor will be responsible for providing a 1-800 member relations line to respond to questions regarding coverage, providers, and referral to other programs. This line is expected to be capable of providing information in multiple languages.

2.3.2. Enrollment

Insurance plans will be offered on a statewide basis or in designated geographic areas agreed to by the Department and bidders. Any individual residing in the designated area will be eligible to enroll provided s/he meets the eligibility criteria specified in Section 2.3.2.2. below. As stated previously, no child may be denied coverage due to health status.

A limit may be set on the number of enrollees in each plan. This limit will be determined in the final contracting phase and will be based on the number of contracts awarded and the availability of appropriated funds. The Department is determined to provide services to all those children who are eligible. The Department may consider developing an incentive program to accomplish this goal.

The Department acknowledges that insurance policies are generally issued to adults for either individual or family coverage. To eliminate barriers for enrollment of those children not residing with their parents, enrollment of eligible children by "responsible adults" other than a parent or legal guardian is permitted.

The vendor will be responsible for the enrollment activities outlined below in sections 2.3.2.1 through 2.3.2.6. Enrollment activities are detailed in Section 2.2 of the Scope of Services found in Attachment A.

2.3.2.1. Providing Information

The vendor will be responsible, at a minimum, for the following:

- printing and disseminating linguistically and culturally appropriate brochures which explain how to apply for benefits
- developing and maintaining a system capable of answering inquiries in multiple languages
- developing and implementing strategies to verbally communicate program information in multiple languages

2.3.2.2. Determining Eligibility

The vendor will be responsible for determining the eligibility of applicants for participation in this insurance program in accordance with Section 2.2.3 of the Scope of Service in Attachment A. Insurers will be required to monitor and verify eligibility on an annual basis. Eligibility determinations will be made, at a minimum, by:

- Verifying insurance coverage
- Verifying family income
- Verifying age

2.3.2.3. Obtaining and Tracking applications

The vendor will be responsible, at a minimum, for the following:

- Designing and printing an application form in multiple languages
- Designing and maintaining a system to disseminate and collect applications
- Distributing applications at sites and locations and to organizations and individuals which are likely to come to the attention of the intended audience.
- Notifying applicants by mail, telephone or in person, when information on an application is incomplete or inadequate
- Designing and maintaining a system to track applications. The system should have the capability to report on the status of any particular application, as well as the capability to produce management reports on a regular basis.

2.3.2.4. Notifying Applicants

The vendor will be responsible, at a minimum, for notifying applicants by mail of the results of the eligibility determination.

For those determined to be eligible, the vendor will be responsible for issuing an enrollment identification card which states that the enrollee is eligible for services under this plan. The vendor must also notify the applicant as to the date the coverage is in effect.

For those determined to be ineligible, the notification must include the reason for the determination.

The vendor will also be responsible to notify applicants by mail that they are nearing the benefit maximum for pharmacy or emergency care benefits.

2.3.2.5. Referring Ineligible Participants

The vendor will be responsible to refer ineligible participants to appropriate programs as described in Section 2.2.6 of Attachment A.

2.3.2.6. Disenrolling Members

The vendor will be responsible to disenroll individuals who no longer qualify for the program or who fail to pay the full premium or their portion of the premium.

2.3.3. Administrative Systems

2.3.3.1. Assuring Quality

The vendor will be responsible to have a quality assurance plan that provides for monitoring of utilization and case management activities to ensure that an appropriate level of care is dispensed and the quality of patient care is not compromised by other objectives.

2.3.3.2. Establishing and Maintaining Grievance Procedures

The vendor will be responsible to develop an internal grievance procedure to resolve complaints by applicants, enrollees, and providers.

2.3.3.3. Coordinating Benefits

The vendor will be responsible to develop a method of coordinating benefits for those enrollees who have other health insurance coverage. In all instances the Department will pay the deductible, if any, of other health insurance plans. The Children's Health Initiative will be the payor of last resort.

2.3.3.4. Cost Containment Measures

The vendor will be responsible to develop cost containment measures to ensure that only medically necessary services are rendered to program enrollees.

2.4. Data Collection and Reporting

2.4.1. Data Collection

The vendor will be responsible to collect demographic member level data and utilization data as described in Section 6.0 of the Scope of Services in Attachment A. The vendor may describe the data which it is currently collecting and compare it to that listed in Section 6.0. The specific data elements to be reported and the format in which they will be provided will be agreed upon during contract negotiations.

Vendors will be required to store data collected on a 3.5" disk formatted in Lotus 1-2-3 Rel 3.4A or a more recent version, and will be required to submit diskettes as well as written reports as outlined in Section 6.0.

2.4.2. Reporting

The vendor will be responsible to submit Contract Management Reports to the Department which include enrollment and fiscal data. In addition, Utilization and Demographic Reports of enrollees will also be required.

2.5. DELIVERY SYSTEM

The vendor will be responsible to outline the insurance program delivery system. The Department does not prescribe the model for delivery of this children's insurance program. Therefore, bidders should feel free to be innovative when

proposing a program model. However, certain elements of a delivery system must include, but need not be limited to, the following:

2.5.1. Geographic Area of Service

This includes identifying the geographic area in which the insurance program will be offered.

2.5.2. Providers

This includes the identification of the number and type of medical personnel who will provide services under this insurance plan. The Department does not prescribe the type of physician who will provide services under this initiative, however, providers must be licensed by the Commonwealth or licensed in a contiguous state.

2.5.3. Program Model

This includes a description of the design of this health insurance program. For example, this section may include, but is not limited to, identifying whether the program will be administered using an indemnity insurance model, a health maintenance organization (HMO), a preferred provider organization (PPO), or another type of model, and whether the program will operate on a capitated rate or fee for service basis. This section will also include a description of the activities to be undertaken to manage the care of participating enrollees. All programs must have some identifiable components of managed care. Those proposals which include more management of the care of participants will be more competitive. This section also includes a description of the bidders ability to provide insurance for the services described in Section 3.2 of the Scope of Services in Attachment A.

All programs are required to refer and enroll participating children in a smoking cessation program. Bidders may choose to develop their own program or refer enrollees to another program. The Department will totally subsidize all costs related to smoking cessation programs.

2.5.4. Staffing

This includes a description of key personnel who will work on the administration of this program.

2.5.5. Implementation Plan

This includes the development of a timetable with corresponding activities to be undertaken in the implementation of this program. A sample implementation plan is included in Attachment B .

2.5.6. Organizational Capability

This includes a description of the bidding organization, the current organizational chart, and a list of the names and addresses of the board of directors.

2.5.7. Submission of Financial Statement

This includes certifying that the bidder has submitted the most recent annual report or certified financial statement to the Division of Insurance. Attachment C, Cover Sheet, may be used for this purpose.

2.5.8. Qualifications as Health Insuring Entity

This includes certifying that the bidder meets the requirements established in Section 1.5. of the RFP. Attachment C may be used for this purpose.

2.6. FINANCIAL ARRANGEMENTS

The vendor will be responsible to develop a mechanism for collecting premium contributions and co-payments from purchasers. The purchaser is the individual who is obtaining the health insurance on behalf of the enrollee. The vendor will be responsible for describing the system for collection of co-payments by providers.

In return, for each person enrolled, the vendor will be paid a premium by the purchaser (if applicable), and a supplement by the Department (if applicable). The amount of premium paid by the purchaser will be determined using the most recent non-farm poverty guidelines of the United States Office of Management and Budget (federal poverty income guidelines) as published in the Federal Register. The guidelines issued in February 1993 are in Attachment D.

The payment of premiums and co-payments will be determined using the schedule found in Table 1. Together, these payments will equal the total premium from the table of premiums proposed by the bidder and agreed to by the Department.

2.6.1. Payments to Providers

The vendor will be responsible to pay providers for all covered services, as specified in Section 3.2.1. of Attachment A. Payments must be made on a timely basis.

2.6.2. Payments by the Purchaser

As stated earlier, the vendor is responsible to develop a system for collecting payments from purchasers.

2.6.2.1. Premium Payments

The purchaser will pay the total premium, or a percentage of the premium, to the vendor for children enrolled in the insurance plan. The premium contribution from the purchaser will be paid based on income and the premium amount for the applicable tier in the table of premiums proposed by the bidder and agreed to by the Department.

The purchaser will be billed for his/her share of the premium on a monthly basis.

2.6.2.2. Co-payments

The bidder shall take co-payments into consideration when structuring the premium.

Co-payments will not be collected for preventive services. As stated earlier, program enrollees shall be charged a co-payment of three dollars for each

interchangeable drug prescription and four dollars for each brand-name drug prescription. The provider may collect co-payments for primary care services in accordance with the schedule in Table 2.

TABLE 1

Cost to be Borne by the Insured

FEDERAL POVERTY LEVEL PER DESIGNATED FAMILY SIZE	COST BORNE BY INSURED
At or below 133%	No cost
Over 133%-200%	Co-payments only
Over 200%-400%	First 40% of premium cost, and co-payments
Over 400%	Full premium cost and co-payments

2.6.2.3. Schedule of Costs

Table 1 represents the schedule of costs to be borne by the insured.

TABLE 2

Schedule of Co-Payments for Primary Care Services

FEDERAL POVERTY INCOME GUIDELINES PER DESIGNATED FAMILY SIZE	REQUIRED CO-PAYMENT
Over 133%	$1
Over 200%	$2
Over 300%	$3
Over 400%	$4

2.6.3. Payments by the Department of Medical Security

The vendor is responsible for invoicing the Department of Medical Security for payment of premium subsidies.

The Department will subsidize the total cost of insurance offered to individuals through premium subsidies. For each enrollee the Department will pay the difference between the premium paid by the purchaser and the full premium agreed upon by the vendor and the Department pursuant to the cost proposal as described in Section 3.3. of the RFP.

3. PROPOSAL REQUIREMENTS

3.1. PROPOSAL OVERVIEW

Responses to this RFP must consist of two documents: a Program Proposal and a Cost Proposal. **The Program Proposal and the Cost Proposal must be submitted separately. VENDORS MUST NOT INCLUDE COST INFORMATION IN ANY PART OF THE PROGRAM PROPOSAL. INCLUSION OF COST/PRICING INFORMATION IN THE PROGRAM PROPOSAL MAY RESULT IN DISQUALIFICATION OF THE PROPOSAL.**

The proposal must be presented in enough detail to demonstrate the bidder's:

- ability to perform marketing and outreach activities to attract and retain uninsured enrollees
- ability to provide a 1-800 member relations line to respond to questions regarding coverage, providers, and referral to other programs
- ability to perform the administrative, financial and data processing functions of the program including enrollment and claims processing, premium and co-payment collection, demographic and utilization data collection and fiscal and programmatic reporting
- ability to provide insurance on a statewide basis or in a specific geographic area
- ability to provide access to providers who can deliver comprehensive, affordable, preventive and primary health care services as described in Section 3.2. of Attachment A to the proposed uninsured population
- capacity to document financial soundness of the organization.

3.2. ELEMENTS OF THE PROGRAM PROPOSAL

The bidder must submit the following:

- **COVER SHEET**

The bidder must complete the cover sheet and submit it as the first page of the proposal. The Cover Sheet can be found in the Attachment C.

- **PROPOSAL**

In order for the Department to assess the capability of bidders to enter into a contract that meets the requirements of the Scope of Services prescribed in

Attachment A, the Department requires that bidders submit a proposal that describes each section below and labels each section as indicated. **TO BE ELIGIBLE FOR CONSIDERATION, EACH SECTION CONTAINED IN THE PROPOSAL MUST MEET, AT A MINIMUM, THE SPECIFICATIONS REQUIRED IN ATTACHMENT A.**

3.2.1. Marketing and Outreach

- The bidder must present a plan that includes, at a minimum, the following:
  - A description of suggested methods and mechanisms for an effective multi-media marketing and outreach campaign
  - A description of multi-media, linguistically and culturally appropriate marketing and outreach strategies.
  - A description of the design and implementation of a 1-800 member relations line and other communication strategies.
  - A description of the strategies used to coordinate ongoing marketing activities with the Department.
  - A projection of the number of expected enrollees by June 1994
  - A discussion of the bidders capacity to meet the requirements in Section 2.1 of the Scope of Services in Attachment A.

3.2.2. Enrollment

3.2.2.1. Providing Information

- Describe your approach for communicating with applicants. Identify how long the enrollment process is expected to take. Identify the point in time at which the child's insurance coverage actually begins.
- Discuss your capacity to ensure that the design required by the Department could be executed and printed in multiple languages on brochures which explain how to apply for benefits.
- Provide at least one example of your existing brochures or other written materials that you believe are similar to the brochure that you would be required to produce describing the children's health insurance program.
- Describe your approach to developing and maintaining a system to answer inquiries in multiple languages.
- Discuss your capacity to meet the requirements in Section 2.2.2. of the Scope of Services in Attachment A.

3.2.2.2. Determining Eligibility

- Describe your capacity to verify the eligibility of applicants to participate in the program as described in section 2.2.3. of Attachment A.

3.2.2.3. Obtaining and Tracking Applications

- Describe or produce a sample of an application form.
- Describe the system to be used to disseminate and collect applications
- List the potential locations and organizations where program application will be distributed.
- Describe the process for notifying applicants when information on an application is incomplete or inadequate.
- Describe the actual system, or the process for designing and maintaining a system, to track applications and produce management reports on a regular basis.
- Discuss your capacity to meet the requirements in Section 2.2.4. of the Scope of Services in Attachment A.

3.2.2.4. Notifying Applicants

- Describe the process by which applicants will be notified of the results of the eligibility determination.
- Describe the mechanism for issuing enrollment identification cards to applicants.
- Discuss your capacity to meet the requirements in Section 2.2.5. of the Scope of Services in Attachment A.

3.2.2.5. Referring Ineligible Applicants

- Suggest the process by which ineligible applicants may be referred to other programs.
- Discuss your capacity to meet the requirements in Section 2.2.6. of the Scope of Services in Attachment A.

3.2.2.6. Disenrolling Members

- Describe the process by which disenrollments will be monitored.
- Discuss your capacity to meet the requirements in Section 4.1 of the Scope of Services in Attachment A.

3.2.3. Administrative Systems

3.2.3.1. Assuring Quality

- Demonstrate evidence of a quality assurance plan that ensures the quality, efficiency, and effectiveness of the services provided.

- Describe the method by which a quality assurance program will be implemented.

- Discuss your capacity to meet the requirements in Section 5.6 of the Scope of Services in Attachment A.

3.2.3.2. Establishing and Maintaining Grievance Procedures

- Describe the grievance procedures which allow for the resolution of complaints from applicants, enrollees, and providers.

- Discuss your capacity to meet the requirements in Section 4.2 of the Scope of Services in Attachment A.

3.2.3.3. Coordinating Benefits

- Describe the process by which benefits would be coordinated, if necessary, for those enrollees who have insurance coverage for preventive and primary care services only after the fulfillment of a deductible.

- Discuss your capacity to meet the requirements in Section 5.1 of the Scope of Services in Attachment A.

3.2.3.4. Establishing Cost Containment Measures

- Describe the cost containment measures that will ensure that only medically necessary services are rendered to program enrollees.

3.2.4. Data Collection and Reporting

- Describe the organization's capacity to collect and report the information described in Section 6.0 of Attachment A.

3.2.5. Delivery System

- Describe your delivery system, with particular reference to the following:

3.2.5.1. Geographic Area

Specify the cities and towns, by name and zip code, which this delivery system would serve. Bidders may propose to offer this program in a specific geographic area, or on a statewide basis.

3.2.5.2. Providers

Describe the number and type of providers that will provide service to enrollees. For those plans who plan to use their existing provider network, please submit a copy of your current provider directory.

3.2.5.3. Program Model

Describe the program model and how the proposed objectives will be achieved. Identify whether this is an indemnity insurance, a health maintenance organization (HMO), a preferred provider organization (PPO), or another type of model and

indicate whether the program will operate on a fee-for-service or a capitated rate basis. The bidder must also describe the activities to be undertaken to manage the care of participating children. All programs must have some identifiable components of managed care. Clear, detailed descriptions of all activities, procedures, services, strategies, etc. must be provided. In particular, the bidder should include a description of how services covered under existing insurance products will be adapted to meet the guidelines in Section 3.2. of Attachment A. As well, the bidder should describe the rationale for the selection of the program design as the approach best suited to meet the needs of the population to be served.

The Bidder must identify whether the organization will develop its own smoking cessation program or will refer participants to other programs. In either case, the bidder must outline the plan and describe the process for enrolling participants in such programs.

3.2.5.4. Staffing

Submit a list of names and proposed major duties of the professional personnel, consultants, and key subcontractors assigned to the program. The number of staff or hours devoted to the proposed program must be specified. A description of procedures for the recruitment and selection of staff, and/or consultants must be included.

Resumes of professional personnel and consultants who will work on the program should also be submitted. The resumes should include minimum qualifications, educational background, recent experience and specific expertise related to the proposed program.

3.2.5.5. Implementation Plan

Submit a detailed implementation plan and timetable which identifies activities to be undertaken, responsible agents, expected start and completion dates, and anticipated outcomes of these activities. Activities should include specific, measurable targets to be undertaken in the implementation of this program. The bidder must state the amount of time needed for activities related to program start-up and also estimate the date on which this insurance program will actually provide insurance coverage. A sample implementation plan has been included in Attachment B .

3.2.5.6. Organization Capability

Describe the following:

- **General Background:** Describe the experience and qualifications of the organization to undertake the delivery of the program as described in Section 2 of the RFP. Descriptions of similar or related activities should be included.

- **Organizational Chart:** Submit a chart depicting the structure of your organization.

- **Board of Directors:** Submit the names, addresses, and occupations of members of your board of directors.

3.2.5.7. Submission of Financial Statement

Bidders must submit a statement that certifies that the organization has submitted

the most recent annual report or certified financial statement to the Division of Insurance. The cover sheet in Attachment C may be used for this purpose.

3.2.5.8. Qualifications as Health Insuring Entity

The bidder must submit a statement certifying that the bidder qualifies as one of the five types of health insurance entities with which the Department will contract, as explained in Section 1.5. of the RFP. The cover sheet in Attachment C may be used for this purpose.

3.2.6. Financial Arrangements

- Specify the mechanism to be used in collecting premiums from the purchaser.
- Describe the system for collection of co-payments by providers.
- Describe the mechanism to be used to coordinate payments to providers on a timely basis.

3.2.7 Certification of MBE Status

Qualified and certified MBE providers are strongly encouraged to submit proposals in response to this RFP, and MBE status will be considered favorably in the evaluation process. For the purpose of the MBE provision, the word "certified" means any MBE applicant that has satisfied the requirement of 425 CMR 2.03 or 2.09 as a minority-owned business or non-profit organization and therefore is placed on the list of MBEs published by the State Office of Minority and Women's Business Assistance (SOWMBA). Any minority-owned business or non-profit organization may apply to SOWMBA for MBE certification. In addition, non-MBE providers are encouraged to utilize MBE subcontractors wherever possible. As part of the proposal, the provider may submit a schedule and list of those MBEs with which the provider currently subcontracts. The Department retains the right to approve or disapprove all subcontractors.

To qualify as an MBE provider, the bidder must attach the organization's certification of MBE status from SOWMBA.

3.3. ELEMENTS OF THE COST PROPOSAL

This section describes the requirements for the preparation of the cost proposal. The cost proposal should be clearly and separately labeled to include the following sections:

3.3.1. Premiums

Premium costs consist of pure premium and retention elements for the proposed benefit package. The premium proposed in accordance with this section will be the total premium amount which will be paid to the bidder. The bidder must provide a quote for a fixed premium for one year. This quote must be guaranteed for one year. In the event that the contract is renewed, the bidder must identify the maximum increase for the second year and must show how this amount was calculated.

The premium payment will be divided between the individual purchaser and the Department as described in Section 2.5. of the RFP. The Department will pay the difference between the gross and net premiums.

The age range to be covered under this premium is age six through twelve. The Department asks that bidders consider the feasibility of creating three-tiered premiums for those purchasers with more than one child. Bidders must provide justification for providing only a one-tiered premium.

The premium will be calculated as a dollar amount per member per month. Premium proposals should be presented in two sections: (1) premium calculation; and (2) premium determination.

Attachment E provides the structure for the premium proposals. The bidder must follow the format for premium calculation specified in Attachment E. The information presented must be sufficiently detailed and documented to enable the Department to understand and evaluate the entire premium proposal.

3.3.2. Premium Calculation

State the pure premium and retention as a dollar amount per member per month. The proposed premium should be supported by a detailed calculation, as illustrated in Attachment E. This presentation must contain the following:

- A separate presentation of requirements for (1) pure premium, and (2) retention (or general and administrative) expense.
  - For pure premium, a breakdown by type of service use rates for each service (e.g., laboratory and x-rays), and cost per unit of each service.
  - For retention expense, a breakdown by function. This must, at a minimum, separately identify expenses for administration, eligibility determination, enrollment and billing, data collection and reporting, risk retention charges, and claims administration, if applicable.
- A clear narrative statement and justification of the assumptions underlying each component of the proposed revenue requirement, with supporting documentation. The bidder must state the assumptions made about enrollment projections.

The bidder should identify the geographic area on which it bases its assumptions and clearly document these assumptions. If the bidder proposes to serve more than one geographic area, it may either submit separate premium proposals for each area, or propose area adjustment factors to be applied to the proposed premium.

3.3.3 Tiered Premium Determination

In this section, state the proposed tiered premiums and show how they are derived from the premium calculation. The determination of the tiered premiums must be supported by a description of the calculation, such as that illustrated in Part 2 of Attachment E. This presentation must contain the following:

- The premium proposed for each tier.
- Supporting material, including 1) the relationship between the premium calculation and the tiered premium (eg. the factor applied to the premium to determine the tiered premium); and 2) a clear statement and justification for the assumptions underlying these relationships, with supporting documentation.

4. CONDITIONS OF THE BIDDING PROCESS

4.1. LETTER OF INTENT

We encourage bidders to provide a letter of intent to the Department of Medical Security by Friday October 22, 1993 indicating that they plan to submit a proposal in response to the RFP. Letters of intent may be addressed as outlined in section 4.2.1

4.2. SUBMISSION OF PROPOSALS

Responses to this RFP must be submitted as follows:

- Program Proposal and Cover Sheet (See 4.2.2. below) - One (1) original and 10 copies
- Cost Proposal - One (1) original and 10 copies

Responses to this RFP must consist of two documents: a Program Proposal and a Cost Proposal. The Program Proposal and the Cost Proposal must be submitted separately. VENDORS MUST NOT INCLUDE COST INFORMATION IN ANY PART OF THE PROGRAM PROPOSAL. INCLUSION OF COST/PRICING INFORMATION IN THE PROGRAM PROPOSAL MAY RESULT IN DISQUALIFICATION OF THE PROPOSAL.

The Program Proposal must be submitted on a 3.5" disk, formatted in WordPerfect 5.1.

As stated previously, the language in Attachment A **together with** the language bidders submit in response to Section 3 **that is agreed to by the Department** will encompass the contracted agreement between any selected insurance carrier and the Department. **ALL BIDDERS WHO WISH TO BE CONSIDERED AS CONTRACTORS FOR THE CHILDREN'S HEALTH INITIATIVE MUST AGREE TO THESE CONDITIONS IN THEIR ENTIRETY.**

All materials must be delivered to the Department no later than 5:00 p.m. on Thursday, November 4, 1993.

4.2.1. Address

Proposals and other correspondence should be addressed to:

Paula Smith
Program Director
Department of Medical Security
One Ashburton Place, Room 1105
Boston, Massachusetts 02108

4.2.2. Cover Sheet

Cover Sheets must be submitted as the first page of the program proposal. Applicants must submit a cover sheet that contains the following information:

I. GEOGRAPHIC REGION:
II. BIDDER ORGANIZATION INFORMATION:
LEGAL NAME:
ADDRESS:
TELEPHONE:
EXECUTIVE DIRECTOR:
PROPOSAL CONTACT PERSON:

In addition, this cover sheet must include the following statements signed by an authorized signatory:

III. Mandatory Contract Provisions

The undersigned agrees to the mandatory contract provisions as described in section 4.10 of the RFP to which this proposal responds.

IV. Submission of Financial Statement

The undersigned certifies that the bidding organization has submitted the most recent annual report or certified financial statement to the Division of Insurance.

V. Qualifications as Health Insuring Entity

The undersigned certifies that the bidding organization qualifies as one of the five types of health insurance entities with which the Department will contract, as explained in Section 1.5. of the RFP to which this proposal responds.

VI. Agreement with Scope of Services

The undersigned certifies that the bidding organization agrees to the Scope of Services found in Attachment A and that it shall be incorporated as Attachment A to the Standard Contract Long Form.

4.3. INQUIRIES

Prospective bidders may submit questions concerning this RFP to the same person and address listed in Section 4.2.1. above.

Such inquiries must be made in writing and received no later than Monday, October 18, 1993. Inquiries will be received and consolidated. Written responses will be made available to all prospective bidders.

4.4. BIDDER'S CONFERENCE

Prospective bidders are invited to attend the Bidder's Conference to be held on Tuesday,
October 12, 1993 from 2:00 to 3:00 P.M.

Meeting Site: McCormack Building
21st Floor, Conference Room 3
One Ashburton Place
Boston, MA 02108

At this meeting, staff of the Department of Medical Security will entertain questions. Oral answers will be given if the information is then available. Questions for which written answers are required will be identified and made available to prospective bidders. Only written answers will be binding on the Commonwealth.

4.5. ADDENDA TO RFP

If it becomes necessary to revise any part of this RFP, or if additional information is necessary to clarify any of its provisions, a supplement will be provided to prospective bidders.

4.6. REJECTION OF PROPOSALS--PREQUALIFICATION CRITERIA

A bidder's proposal will be rejected if the bidder:

- Fails to submit its proposal at the designated address by the deadline established by this RFP;
- fails to submit the proposal in the format specified or to supply the minimum information requested in this RFP;
- fails to state in writing its acceptance of the mandatory conditions in Attachment F of this RFP;
- fails to guarantee the premium for one year;
- refuses a request for an oral presentation; or
- fails to agree to the Scope of Services as described in Attachment A of this RFP.

Any proposal determined to be non-responsive to any requirement of this RFP may be disqualified without evaluation. The Selection Committee, may, at its discretion, determine that non-compliance is insubstantial and can be corrected, or that an alternative proposed by the offeror is an acceptable substitute. In such cases, it may seek clarification, allow minor corrections, apply appropriate penalties in the evaluation, or apply a combination of all three remedies.

4.7. PROPOSAL REVIEW AND SELECTION PROCESS

The proposal review and selection process will be implemented in mid October. All proposals will be reviewed by the Children's Health Initiative Selection Committee (CHISC). The CHISC will review proposals and will make final recommendations to the Commissioner of DMS, who will make all final funding decisions. Decisions regarding funding are expected by late November, 1993. Specifically, proposals will be reviewed and selected as follows:

- *Pre-qualification Review:*

  DMS will review all proposals to determine if the bidder's proposal meets the prequalification criteria contained in section 4.6. above.

- *CHISC Review and Recommendation:*

  All qualified proposals will then be reviewed by a Children's Health Initiative Selection Committee (CHISC) comprised of representatives of the Division of Insurance, Group Insurance Commission, Department of Public Health, Department of Public Welfare, the American

Academy of Pediatrics, pediatric specialists, and DMS. The CHISC will make recommendations to the Commissioner of DMS who will make all decisions regarding funding. The Commissioner's decision will be final.

The CHISC, in its selection process, must take into account such matters as program design, timetables for implementation, geographic locations and ability to reach the target populations, and premium costs so as to ensure the equitable and cost effective statewide distribution of children's health insurance needed to meet critical health care needs. The Selection Criteria to be utilized by the CHISC are described in Section 6 of this RFP.

4.8. ORAL PRESENTATIONS

The Department may invite bidders whose proposals are deemed to be responsive to make an oral presentation. The presentation will be held after the deadline for the submission of proposals. Bidders will receive at least forty-eight (48) hours notice to prepare for the oral presentation. Notice may be oral, rather than written.

4.9. TIMETABLE FOR PROCUREMENT

- RFP issued - Thursday, September 30, 1993
- Bidder's Conference - Tuesday, October 12, 1993
- Written Inquiries Due - Monday, October 18, 1993
- Letter of Intent Due - Thursday, October 28, 1993
- Proposals due - Thursday, November 4, 1993
- Expected Date of Initial Announcement - late November 1993

4.10. MANDATORY CONTRACT PROVISIONS

The proposal must include a signed statement that it agrees to accept the Mandatory Contract Provisions contained in Attachment F, Standard Contract Long Form, as well as the Scope of Services in Attachment A. Bidders must also agree to accept a request for an oral presentation, and guarantee the premium for one year.

Agreement to these conditions may be accomplished by completing the cover sheet which has been included in Attachment C.

4.11. FREEDOM OF INFORMATION

All proposals and related documents submitted in response to this RFP are subject to the Massachusetts Freedom of Information Law, M.G.L., Chapter 66, Section 10 and to Chapter 4, Section 7, Subsection 26, regarding public access to such documents. Statements or endorsements inconsistent with those statutes will be disregarded.

4.12. CANCELLATION OF PROCUREMENT

The Commonwealth retains the right to cancel this procurement at any time before a contract has been executed and approved, in which event all proposals received in response to this RFP will be rejected.

4.13. COST OF BIDDER'S RESPONSE

No costs or expenses incurred by bidders in responding to this RFP or in participating in this competitive procurement will be borne by the Commonwealth.

4.14. RETURN OF PROPOSALS

The Commonwealth shall be under no obligation to return any proposals or materials submitted by a bidder in response to this RFP.

5. AVAILABILITY OF FUNDS

The Department intends to award one or more contracts of one year duration at varying dollar amounts. The Department will be open to the possibility of one year renewals, based upon demonstrated successful program outcomes in the first year.

The Department projects that $7 million will be available in fiscal year 1994. Funds for this program rest in a state appropriation account and are subject to the fiscal year appropriations. The obligations of the Department under a contract for any subsequent fiscal year following the fiscal year in which a contract is executed are subject to appropriations of the subsequent year, and to the authorization to spend such appropriated funds for the purposes of this contract.

6. SELECTION CRITERIA

Overview

The CHISC will take into account the needs of uninsured children from age six through twelve for access to a statewide children's health insurance program that provides coverage for primary and preventive health care services. The CHISC recommendations will be based upon an evaluation of the quality and cost of the proposed insurance program and its accessibility to the children eligible for coverage.

The evaluation of individual responsive proposals will be based upon the extent to which the proposals comply with the requirements of this RFP, and the following criteria:

6.1. PROGRAM PROPOSAL

6.1.1. Marketing and Outreach

Is there evidence of:

- Comprehensive methods and mechanisms for an effective multi-media marketing and outreach campaign?
- a clear and comprehensive strategy for implementing linguistically and culturally appropriate marketing and outreach activities to attract and retain uninsured enrollees?
- capability to provide a member relations line to respond to questions regarding coverage, providers, and referral to other programs in multiple languages?
- a willingness to work closely with the Department regarding ongoing marketing and outreach activities?
- a reasonable projection of expected enrollees?
- the ability to meet the specifications of Section 2.1 of the Scope of Services in Attachment A?

6.1.2. Enrollment

6.1.2.1. Providing Information

Is there evidence of:

- a clear, reasonable and linguistically and culturally appropriate approach for communicating with applicants?
- a reasonable timeframe for enrollment?

- ability to design and print brochures which explain how to apply for benefits in multiple languages?

- at least one example of an existing brochure or other written materials that will be similar to the brochure used to describe the children's health insurance program?

- a clear and appropriate approach to developing and maintaining a system to answer inquiries?

- the ability to meet the specifications of Section 2.2.2. of the Scope of Services in Attachment A?

6.1.2.2. Determining Eligibility

Is there evidence of:

- adequate capacity to verify the eligibility of applicants to participate in the program as described in section 2.2.3. of the Scope of Services in Attachment A?

- the ability to meet the specifications of Section 2.2.3. of the Scope of Services in Attachment A?

6.1.2.3. Obtaining and Tracking Applications

Is there evidence of:

- a sample application form?

- an adequate system to be used to disseminate and collect applications?

- a comprehensive list of potential locations and organizations where program applications will be distributed?

- a reasonable process for notifying applicants when information on an application is incomplete or inadequate?

- an efficient system capable of tracking applications and producing management reports on a regular basis?

- the ability to meet the specifications of Section 2.2.4. of the Scope of Services in Attachment A?

6.1.2.4. Notifying Applicants

Is there evidence of:

- a clear and adequate process by which applicants will be notified of the results of the eligibility determination?

- the ability to meet the specifications of Section 2.2.5. of the Scope of Services in Attachment A?

6.1.2.5. Referring Ineligible Participants

Is there evidence of:

- a reasonable process for referral to other programs?
- the ability to meet the specifications of Section 2.2.6. of the Scope of Services in Attachment A?

6.1.2.6. Disenrolling Members

Is there evidence of:

- a reasonable process by which disenrollments will be monitored?
- the ability to meet the specifications of Section 4.1. of the Scope of Services in Attachment A?

6.1.3. Administrative Systems

6.1.3.1. Assuring Quality

Is there evidence of:

- a comprehensive quality assurance plan that ensures the quality, efficiency, and effectiveness of the services provided?
- a reasonable method by which a quality assurance program will be implemented?
- the ability to meet the requirements in Section 5.6 of the Scope of Services in Attachment A?

6.1.3.2. Establishing and Maintaining Grievance Procedures

Is there evidence of:

- adequate grievance procedures which allow for the resolution of complaints from applicants, enrollees, and providers?
- the ability to meet the specifications of Section 4.2. of the Scope of Services in Attachment A?

6.1.3.3. Coordinating Benefits

Is there evidence of:

- a reasonable process by which benefits would be coordinated, if necessary, for those enrollees who have insurance coverage for preventive and primary care services only after the fulfillment of a deductible?
- the ability to meet the requirements in Section 5.1 of the Scope of Services in Attachment A?

6.1.3.4. Establishing Cost Containment Measures

Is there evidence of:

- adequate cost containment measures to ensure that only medically necessary services are rendered to program enrollees?
- the ability to meet the requirements in Section 5.7 of the Scope of Services in Attachment A?

6.1.4. Data Collection and Reporting

Is there evidence of:

- the capacity to collect, process and report the information described in Section 6.0 of the Scope of Services in Attachment A?
- the ability to meet the specifications of Section 6.0. of the Scope of Services in Attachment A?

6.1.5. Delivery System

Is there evidence of:

6.1.5.1. Geographic Area

- the identification of the cities and towns, by name and zip code, which this system would serve?
- the ability to meet the specifications of Section 3.1. of the Scope of Services in Attachment A?

6.1.5.2. Providers

- an adequate description of the number and type of providers that will provide service to enrollees?
- the ability to meet the specifications of Section 3.1. of the Scope of Services in Attachment A?

6.1.5.3. Program Model

- an adequate description of the program model and how the proposed objectives will be achieved?
- a reasonable plan and adequate process for enrolling participants in a smoking cessation program?
- a reasonable description of the activities to be undertaken to manage the care of participating enrollees?
- the ability to meet the specifications of Section 3.2. of the Scope of Services in Attachment A?

6.1.5.4. Staffing

- a list of names and proposed major duties of the professional personnel, consultants, and key subcontractors assigned to the program?
- a reasonable number of staff and/or hours assigned to the program?
- a description of procedures for the recruitment and selection of staff, and/or consultants?
- resumes of qualified professional personnel and consultants who will work on the program?

6.1.5.5. Implementation Plan

- a detailed description of the specific performance objectives of the project, project activities and tasks, responsible staff, expected start and completion dates and anticipated outcomes of all project activities?

6.1.5.6. Organizational Capability

- demonstrated expertise in the development, design and implementation of a program similar to the proposed model?
- a chart depicting the structure of the organization?
- the names and addresses of members of the board of directors?

6.1.5.7. Submission of Financial Statement

- a signed statement certifying that the bidding organization has submitted the most recent annual report or certified financial statement to the Division of Insurance?

6.1.5.8. Qualifications as Health Insuring Entity

- a signed statement certifying that the bidder qualifies as one of the five types of health insurance entities with which the Department will contract, as explained in Section 1.5.?

6.1.5.9. Scope of Service

- a signed statement certifying that the bidder agrees to the Scope of Services in Attachment A?

6.1.6. Financial Arrangements

Is there evidence of:

- a reasonable mechanism to be used in collecting premiums and deductibles from purchasers?
- a reasonable process for the collection of co-payments by providers?

- a reasonable mechanism to be used to coordinate payment to providers?
- a reasonable timeframe for the processing of payments to providers?

6.1.7. Minority Business Enterprises (MBEs)

Is there evidence of:

- certification as MBE; and/or?
- sub-contracts with MBE certified organizations?

6.2. COST PROPOSAL

Costs will be analyzed to determine the following:

- total cost of proposal;
- reasonableness of premiums by type of service;
- reasonableness of the percentage of administrative costs in relation to the pure premium;
- ability to offer tiered premiums;
- cost of proposal in relation to the proposed insurance program; and
- cost of the proposed insurance program in relation to the cost of similar programs.

SUMMARY PROPOSAL REVIEW FORM

A. PROGRAM PROPOSAL	*POINTS ASSIGNED*	*POINTS AWARDED*
1. Marketing and Outreach	*25*	_____
2. Enrollment	*25*	_____
a. Providing Information		
b. Determining Eligibility		
c. Obtaining and Tracking Applications		
d. Notifying Applicants		
e. Referring Ineligible Applicants		
f. Disenrolling Members		
3. Administrative Systems	*10*	_____
a. Assuring Quality		
b. Establishing and Maintaining Grievance Procedures		
c. Coordinating Benefits		
d. Establishing Cost Containment Measures		
4. Data Collection and Reporting	*15*	_____
5. Delivery System	*25*	_____
a. Geographic Area		
b. Providers		
c. Program Model		
d. Staffing		
e. Implementation Plan		
f. Organizational Capability		
g. Financial Condition		
h. Qualification as Health Insurance Entity		
i. Agreement to Scope of Services		
j. Financial Arrangements		

PROGRAM SCORE *A.* ___ / *100*

B. COST PROPOSAL

1. Reasonableness of Premiums	*15*	_____
2. Proportion of Admn. to Pure Premium	*15*	_____
3. Ability to offer tiered premiums	*10*	_____
4. Cost in relation to cost of similar programs	*10*	_____

COST SCORE *B.* ___ / *50*

C. MINORITY BUSINESS ENTERPRISE

Bonus Points 0 5 10

Add 10 points if minority business
Add 5 points if subcontracting with minority business

D. ___ / *15*

GRAND TOTAL (A+B+C+D) *165*

NAME OF REVIEWER: _____

SECTION I DEFINITIONS

The following terms shall be given the following meanings, except where the context clearly indicates otherwise:

1.1. Federal Poverty Income Guidelines - the non-farm poverty guidelines of the United States Office of Management and Budget published annually in the Federal Register which provide an update of the Department of Health and Human Services poverty guidelines to account for the last calendar year's increase in prices as measured by the Consumer Price Index.

1.2. Member - a child, from age six through twelve, who is enrolled in the program.

1.3. Provider - a physician, nurse practitioner, physician's assistant or registered nurse who is identified as participating in the program.

1.4. Purchaser - the individual who is obtaining the health insurance on behalf of the member.

1.5. Uninsured Child - a child who does not have third party payment coverage for the types of services outlined in Attachment A Section 3.2.1.

SECTION 2 PROGRAM SPECIFICATIONS

2.1 MARKETING, OUTREACH AND COMMUNICATION

2.1.1 Distribution to state and community agencies

The Contractor will prepare and distribute written materials describing the program to the appropriate state, community, and private agencies. These agencies will include, but not be limited to:

- Schools
- Hospital social service Departments
- Physicians' offices
- Department of Public Health program sites including, but not limited to, Healthy Start, Early Intervention and Perinatal Community Initiative Program (PCIP) sites
- Local Welfare Offices and all Department of Public Welfare sites at which Medicaid eligibility is determined
- The Department of Social Services funded day care sites
- other child care organizations

2.1.2. Development of Materials

The Department will design a logo and tag line which reflect the Department's name for the program, and the themes of children and health. To develop standardized marketing materials, Department staff will work in collaboration with the contractor's marketing staff and marketing staff of other insurers who are awarded contracts to provide insurance under this program. The Contractor must agree to the design specifications required by the Department. This may include, but is not limited to, specifications regarding paper stock, color schemes, and design layout.

The Contractor will work with the Department to produce culturally and linguistically appropriate marketing materials using the specified design. Marketing materials will be produced in the languages of the potential members, as agreed to by the contractors and the Department. Department and contractor staff will develop materials that are sensitive to the needs of the parents and the eligible children. State-wide marketing materials will present the names of the Commonwealth of Massachusetts, Department of Medical Security and the names and logos of the contractors. The state seal will appear, as specified.

It is understood that application forms and identification cards, benefits packages, and other materials that are considered to be specific to one contractor's plan only, will be designed to reflect the individual contractor and the Department.

All materials including but not limited to, forms, applications, booklets, pamphlets and brochures which describe the program shall be approved by the Department prior to distribution. If no action is taken by the Department within ten days of submission by the Contractor, the materials shall be deemed approved. Said materials developed solely in connection with the Contractor's program must acknowledge that this program is sponsored and supported by the Department of Medical Security.

2.1.3. Toll Free Number

Purchasers will have access to a Toll-free customer service telephone number for any questions concerning coverage. The customer service telephone staff will be trained in eligibility, claims processing, billing and contracts benefits and will be available to answer any questions pertaining to the program.

2.2 ENROLLMENT

2.2.1 Enrollment Target

The Contractor will enroll no more than a specified number of participants at full subsidy during the period of performance of this contract. The Contractor will only enroll a participant if there is enough money in the contract to support that enrollee for a 12 month period. The Department may reassess this allocation at any time during the contract period.

To eliminate barriers for enrollment of those children not residing with their parents, a "responsible adult" other than a parent or legal guardian may enroll eligible children.

Enrollment in the program shall be on a first-come, first-served basis. The Contractor will establish waiting lists for those individuals who have applied for enrollment after the enrollment target has been reached.

2.2.2 Providing Information

2.2.2.1 Communicating with Applicants:

Applicants who have been accepted into the program will receive an identification card in the mail. They will also receive a brochure that explains benefits and other program features. The enrollment process will take no longer than ten business days upon receipt of a complete and accurate

enrollment application.

Contractor staff will be responsible for communicating with applicants who have been denied coverage. The Contractor will send out letters explaining why the individual's application was denied and suggest other resources that will better serve the individual's particular needs as described in section 2.2.6. Referring Ineligible Applicants.

2.2.2.2 Printing Brochures:

The Contractor will be responsible for printing brochures using the specified design describing the benefits package. The design of the brochures must be done in cooperation with the Department as discussed in Attachment A, section 2.1.2. Development of Materials.

2.2.2.3. Multiple Language Inquiries:

The Contractor will develop a system to answer inquiries in multiple languages. The Contractor will work with the Department and other state agencies to identify key languages and any additional resources that may be available through the state that can be applied to this program.

2.2.3. Determining Eligibility

The Contractor will enroll children from age six through twelve who are residents of Massachusetts into the program if they meet the eligibility criteria set forth below. The Contractor will use income and insurance coverage as the two main criteria by which to determine eligibility. Only those children who are uninsured for primary and preventive health care services are eligible for the program. This includes those children who have insurance coverage for inpatient hospitalization who are not covered for preventive and primary care services. In addition, children in plans which cover preventive and primary care services only after the fulfillment of a deductible are also eligible to enroll.

Children are eligible to participate in this program regardless of income level. To determine the level of subsidy, if any, the Contractor will ask for payroll stubs from the last three paychecks of parents/guardians/purchasers if living in the same household as the child to verify income and whether deductions are taken for family health plans. Where necessary, the Contractor may ask for the parents/guardians/purchasers' most recent tax return. The Contractor may require that all eligible children in a family enroll in the program simultaneously.

In the event that an applicant cannot provide payroll stubs or tax returns, the Contractor will accept a notarized letter from the employer (i.e., babysitting, housecleaning, odd jobs) as acceptable verification of income. The Contractor will also develop an annual verification process to determine continued eligibility at the member's first anniversary date. The Contractor may also accept a certified statement indicating that the purchasers have no current income.

2.2.4. Obtaining and Tracking Applications

2.2.4.1. Application Form

The application form will provide and request key information that will include, but not be limited to, the following:

Member Information:

Name
Mailing Address
Phone Number
Primary Language Spoken
Number of Children

Age and Sex of Children
Children's Social Security Numbers, where available
Insurance Status
Employment Status
Income Information, including last three pay stubs
Most Recent Tax Return (if applicable)
Race (Voluntary)

In addition to the above, the following sentence must appear on each enrollment application:

"I authorize 'name of insurer' to obtain medical records necessary in the administration of this program and to release them to the Department of Medical Security along with any other information the Department requires. I accept full responsibility for any premium or co-payment amounts not covered by the program or any amounts incurred for uncovered services under this contract."

Signature of Parent/Guardian/Purchaser

Contractor Information:

Mailing Address
Toll-free Phone Number

2.2.4.2. Application Distribution

Contractor staff will disseminate applications by working with the agencies and groups identified in Section 2.1.1. Marketing and Outreach and those identified through discussions with the Department. Contractor staff will travel throughout the state educating staff of the agencies and organizations involved so that they will be able to provide assistance to potential applicants. In addition, the application will be mailed upon request to interested agencies or individuals. The Contractor will maintain a mailing list of interested parties.

2.2.4.3. Process for notifying applicant of incomplete information:

If an application is found to have incomplete information, Contractor staff will call the applicant's family, when a phone is available. In the event that the responsible Contractor staff person is not able to communicate in a language spoken by the applicant, another staff member familiar with the language will make the call where possible. If a phone number is not available, the Contractor will send requests for additional information through the mail to the address supplied on the application. An applicant will only be enrolled upon receipt of a complete application.

2.2.4.4. Tracking system:

The Contractor will develop a tracking system using a database that will log in the applications received, status, incomplete information and related follow-up, eligibility status, reasons for denial of coverage and final enrollment decisions. The Contractor will track applications and will run management reports on a regular schedule or at the request of the Department.

2.2.5. Notifying Applicants

2.2.5.1. Notification Process:

The Contractor will notify applicants in writing within ten days of receipt of a completed application if denied coverage through this program. This correspondence will be written in the language appropriate for the applicant where possible. Applicants who have been accepted will

receive an identification card and benefits brochure in the mail. This will serve as notification of acceptance.

2.2.5.2. Identification Card:

The member identification card will include the name and logo of the program, the member's name, and the level of the required co-payment by type of service.

2.2.5.3 Explanation of Benefits:

The Contractor will notify purchasers in writing that they are nearing the $100 maximum for pharmacy benefits and the $1000 maximum for emergency care. Notification must be received by the Purchaser no later than five days prior to reaching the maximum benefit level.

2.2.6. Referring Ineligible Applicants

The Contractor will refer ineligible applicants to other programs.

The following are examples of other programs in Massachusetts to which children can be referred: Women Infants and Children (WIC), CommonHealth, Healthy Start, and Project Good Health.

3.0. DELIVERY SYSTEM

3.1. Geographic Area and Providers

The Contractor will offer insurance in a specified geographic area through a specified list of providers. The providers must be licensed by the Commonwealth of Massachusetts or in a contiguous state.

3.2. Program Model

The Contractor will provide insurance coverage for the services described below through an indemnity insurance model, a health maintenance organization (HMO), a preferred provider organization (PPO), or another type of model. All insurance plans will have some identifiable components of managed care.

3.2.1. Covered Services:

The Children's Health Initiative will provide coverage for preventive and primary care services for children from age six through twelve based upon the recommendations of the American Academy of Pediatrics. These services will include, at a minimum, the following:

3.2.1.1. Preventive Services

Preventive Services includes not less than one well-child visit a year to be delivered in a participating doctor's office, community health center, health maintenance organization or school-based clinic. Preventive services can be described as follows:

- Health History

This includes recording in the medical record the family health history, baseline data on the recipient if not recorded previously, growth and development history, immunization history, known reactions to medications and allergies, pertinent information about previous illnesses and hospitalizations, and other medical and psychosocial problems.

♦ Physical Examination

This includes documenting the findings, negative or positive, of an unclothed physical examination including:

- height and weight; It is recommended that measurements be plotted on appropriate growth charts;
- interval history: updating previously collected history in the medical record with any illnesses, diseases, or medical problems experienced by the recipient since the last visit;
- systems review, pertinent to the age of the recipient;
- observation of the teeth and gums as appropriate; and
- other pertinent findings of the examination

♦ Sensory Screening

- This includes a hearing test, screening by an audioscope or audiometric testing by an audiometer at the following frequencies: 500 Hz, 1000 Hz, 2000 Hz, and 4000 Hz. If the hearing test is performed in another setting such as a school, the test does not need to be repeated by the physician, but the test findings should be documented in the recipient's medical record
- A vision test, testing by the Snellen chart, Titmus machine, or equivalent is also included. If the vision test is performed in another setting such as a school, the test does not need to be repeated by the physician, but the test findings should be documented in the recipient's medical record

♦ Neuropsychiatric Evaluation

This includes an assessment of general neurological functioning and developmental milestones

♦ Developmental Screening

This includes the combined observations by the child's parent or guardian and by the physician, of the recipient's current levels of functioning in the following areas, as appropriate to the recipient's age:

- gross motor development, including strength, balance and locomotion;
- fine motor development, including hand-eye coordination;
- language development, including expression, comprehension, and articulation;

- self-help and self-care skills;
- cognitive skills, including problem-solving and reasoning abilities;
- sexual development, using a measure such as the Tanner scale;
- mental/emotional development, including the presence of learning disabilities, social integration and peer relations, psychological problems such as depression, and assessment of risk-taking behavior and school performance. Documentation of developmental assessments may include descriptive observations, milestones, and/or the results of specific developmental screening tests such as the Denver Prescreening Developmental Questionnaire (PDQ), the Denver Developmental Screening Test (DDST), or the Early Language Milestone Scale (ELM); and
- Health Education and Counseling; educating and counseling the recipient, or his or her parent or guardian, in matters appropriate to the recipient's age (for example, nutrition , growth and development, tobacco and drug use, sexuality, AIDS, safety, and accident prevention).

♦ Appropriate immunizations, tuberculin tests, hematocrit, hemoglobin and/or other appropriate blood tests and urinalysis as recommended by the physician and in accordance with public health policy.

This includes:

- the assessment of immunization status and administration of serums in accordance with the recommendations of the Massachusetts Department of Public Health and the American Academy of Pediatrics
- Tuberculin Test is testing by the Tine or Mantoux (PPD). It is recommended that children at increased risk receive more frequent screenings.
- Cholesterol -- children over age two must be screened if their medical history indicates risk (that is, family history of heart attacks at an early age, coronary disease, lipidemia, diabetes, etc.)
- Sickle Cell -- this test is required if indicated by ethnicity.
- Urinalysis -- the recommended urine screen, with or without microscopy
- Urine Culture -- the recommended screening of preschool-aged females for asymptomatic bacteriuria. Routine cultures on males are not recommended unless indicated by history and/or examination.

- Screening for Lead Poisoning

  As required by the regulations promulgated pursuant to section 193 of chapter 111. The EP or Blood Lead Test -- the erythrocyte protoporphyrin method of testing for lead poisoning and iron deficiency, or other method as recommended by the Massachusetts Department of Public Health (DPH). It is recommended that children at increased risk receive more frequent screenings.

Other services as periodically recommended by the American Academy of Pediatrics must be included. Services provided by a participating laboratory for diagnostic tests shall be reimbursed by said program.

3.2.1.2. Primary Care

Primary care services includes unlimited sick visits delivered in a participating doctor's office, community health center, health maintenance organization, school-based clinic or a patient's home. Primary care also includes first-aid treatment and follow up care, including the changing or removal of casts, burn dressings or sutures. These services are to be delivered in a participating doctor's office, community health center, health maintenance organization, school-based clinic.

3.2.1.3. Emergency Care

Emergency care in the outpatient Department or emergency room of a participating hospital of up to one thousand dollars per year, including related laboratory and diagnostic radiology services and the professional radiological component for the prompt treatment of an accidental injury; including fractures, dislocations and burns, or a medical emergency.

3.2.1.4. Outpatient Surgery

This includes outpatient surgery and anesthesia for inguinal hernia and ear tubes, but not including the professional component for related radiology or pathology services.

3.2.1.5. Mental Health Services

This includes medically necessary outpatient mental health services not to exceed twenty-six visits per year.

3.2.1.6. Pharmacy

These services include prescription drugs up to one hundred dollars per year. Program enrollees shall be charged a co-payment of three dollars for each interchangeable drug prescription and four dollars for each brand-name drug prescription.

3.2.1.7. Smoking Cessation Program

The Department will make available information about smoking education programs in consultation with the Department of public health.

The providers must refer all enrollees to a smoking education program.

3.2.2. SERVICES NOT COVERED

The children's health insurance program does not cover the following services:

- inpatient hospitalization
- custodial care
- personal comfort items
- experimental services
- cosmetic surgery
- organ transplants
- ambulance services
- eyeglasses, or hearing aids
- durable medical equipment
- dental care
- therapeutic services such as chemotherapy, hemodialysis, radiation therapy, occupational therapy and physical therapy
- services which are not medically necessary for the diagnosis, treatment or prevention of illness or injury.

4.0 DISENROLLMENTS AND GRIEVANCES

4.1 Disenrolling Members

The Contractor will disenroll individuals at a minimum, for the following reasons:

- the purchaser does not pay the full premium or the required portion of the premium within two months,
- the purchaser fails to pay the required co-payments,
- the purchaser falsifies eligibility information,
- the child obtains other health insurance,
- the child turns twelve,
- the child fails to qualify at the annual redetermination of eligibility,

Any partial amount paid by the purchaser will be prorated. Three attempts to collect the unpaid premium must be made before termination occurs.

The Contractor will develop a system to monitor disenrollment and must identify the reason for disenrollment as part of the reporting requirements.

4.2. Establishing and Maintaining Grievance Procedures

The Contractor will resolve complaints by applicants, enrollees and providers using an internal system of grievance procedures. The Contractor shall keep the Department informed of any grievance related to the program that in its opinion is of such a serious or complicated matter that it might eventually come to the attention of the Department.

5.0 OTHER PROGRAM ADMINISTRATION

5.1. Coordination of Benefits

The Contractor will develop a system to coordinate benefits, if necessary, for those enrollees who have isurance coverage for preventive and primary care services only after the fulfillment of a deductible.

5.2. Program Staffing

The Contractor will hire qualified staff to administer this program. The resumes of these individuals are provided in Attachment C.

5.3. Implementation Plan

The Contractor will follow the timetable for implementation of the program, as described in the implementation plan in Attachment B .

5.4. Monitoring

The Department will monitor the program on a periodic basis to assure that all activities undertaken are in accordance with this contract.

5.5. Contractor-Departmental Meetings

The Contractor will agree to meet representatives of the Department on a monthly and ad hoc basis to discuss issues which arise in the performance of this contract.

5.6. Quality Assurance

The Contractor will regularly monitor quality of care and develop new areas for study review and improvement. The Contractor will meet regularly with targeted providers to share, disseminate and receive both clinical and administrative information which may be of importance to all involved in children's health care.

5.7. Cost Containment

The Contractor will develop a system to contain costs to ensure that only medically necessary services are rendered to program enrollees.

5.8. Evaluation

The Department may implement an evaluation of the program sometime during the course of the contract. If so, this evaluation will be conducted by an independent entity that is in contract with the Department. The evaluation design will be agreed to by the Department and the independent entity. Quantitative and qualitative data collection methods may consist of, but need not be limited to, survey questionnaires, in-person and telephone interviews, observations and medical and program record reviews. Representatives of the contractors, purchasers, providers, program and Department staff will be asked to participate and cooperate in the evaluation. The Contractor and the Department will collaborate to establish mechanisms for access to medical records of children enrolled in the program. These mechanisms will include, but need not be limited to, requests for on-site access to medical records of selected providers.

The Department and the independent evaluator will provide all required and necessary written and verbal guarantees of confidentiality and anonymity to participants in the evaluation. All data collected will be held in confidence. Names of individuals will not be used nor connected to any

data collected or reported nor will any records be reported in a manner that would link them to a specific individual.

6.0. DATA COLLECTION AND REPORTING

The Contractor will provide both periodic management reports and member-level data to the Department. The Contractor will be required to store appropriate data on a 3.5" disk formatted in Lotus 1-2-3 Rel 3.4A or a more recent version, and will be required to submit diskettes as well as written reports if requested by the Department. A key requirement of the files is that they be linked with enrollment records to facilitate the analysis of utilization patterns by demographics of individuals enrolled.

The Contractor is expected to collect data needed to submit the following reports:

6.1. Contract Management Reports

The Contractor will be required to report enrollment, fiscal, demographic and utilization information in a format mutually agreed upon by the Contractor and the Department. This information will include, at a minimum, the following:

6.1.1. Monthly Enrollment Reports

The Contractor will submit on a monthly basis, enrollment reports which include at a minimum the following variables:

Year To Date Enrollment by Income Level

Total New Enrollments

Total Disenrollments

Reasons for Disenrollment

Total Active Enrollment

6.1.2. Fiscal Reports–Monthly Basis:

The Contractor will submit on a monthly basis fiscal reports which include, at a minimum, the following information.

Total Expenditures by Month

Premiums, by income category, to be paid by DMS

Premiums, by income category, to be paid by purchaser

Average Cost/Visit

Year to Date Expenditures

A final fiscal closeout report will be due 90 days after the expiration of the contract.

6.1.3. Demographic Enrollment Reports–Quarterly

The Contractor will submit a Demographic Enrollment Report in aggregate form on a quarterly basis. This report will contain, at a minimum, the following information.

Geographic Region, by individual
Age, by individual
Sex, by individual
Family Size
Employment Status of parent/guardian, by family
Family Income, by family
Primary language spoken, by individual
Race (Voluntary), by individual

6.1.4. Utilization Data–Quarterly

The Contractor will submit a Utilization Data Report in aggregate form on a quarterly basis. This report will contain, at a minimum, the following information.

Service Provided (diagnosis/procedure code)
Type of Provider
Total Encounters
Cost per Visit by Service Type
Trends, Other Relevant Statistics

6.1.5. Periodic Reports

6.1.5.1. Tracking System Reports

The Contractor will submit, on a periodic basis upon request, reports which describe applications received, status, enrollment decisions and reasons for denial of coverage.

6.1.5.2. Co-payment Report

The Contractor will submit, on a periodic basis upon request, reports which describe the amounts of co-payments required.

6.1.5.3. Coordination of Benefits Reports

The Contractor will submit, on a periodic basis upon request, narrative and fiscal reports which describe activities related to coordination of benefits.

6.2 **Access to Data**

The Contractor will allow Department staff or its contracted agents, upon reasonable notice and during normal business hours to observe operations, and to interview Contractor staff related to this Contract. The Contractor will release upon request all files maintained in connection with this contract to the Department. The Department may request that electronic data be provided to it in an electronic format designated by the Department.

6.3 Penalty

The Department may withhold all or any portion of any payment due under this Contract if the Contractor materially fails to submit timely and accurately any reports or data required under this Contract. The Department shall give the Contractor written notice five business days before withholding any penalty. If the Contractor fails to correct the deficiency within the notice period, but does so within 30 days of the notice, the Department shall promptly release the amount withheld.

ATTACHMENT B

SAMPLE IMPLEMENTATION PLAN

PROGRAM ACTIVITIES	RESPONSIBLE AGENTS	TIMELINE	OUTCOMES
1. Develop brochures to inform potential applicants	Program Coordinator	December 1993	Final brochure
2. Perform outreach activities	Program Coordinator	Ongoing	Enrollment of children

ATTACHMENT C

COVER SHEET

I. GEOGRAPHIC REGION:

II. BIDDER ORGANIZATION INFORMATION

LEGAL NAME:

ADDRESS:

TELEPHONE:

EXECUTIVE DIRECTOR:

PROPOSAL CONTACT PERSON:

III. MANDATORY CONTRACT PROVISIONS

The undersigned guarantees the costs in this proposal for 120 days, guarantees the premium for one year, and agrees to accept a request for an oral presentation. In addition, the undersigned accepts unconditionally and without reservation all of the terms and conditions set forth in Attachment F to the RFP to which this proposal responds. The undersigned further agrees to the incorporation of any and all of those terms and conditions, in their entirety and without modification, into any contract resulting from the RFP and this proposal.

IV. STATEMENT OF FINANCIAL CONDITION

The undersigned certifies that the bidding organization is in good financial standing as indicated in the most recent annual report or certified financial statement which is on file with the Division of Insurance.

V. QUALIFICATIONS AS HEALTH INSURANCE CARRIER

The undersigned certifies that the bidding organization qualifies as one of the five types of health insurance carriers with which the Department will contract, as explained herein:

- Health Insurance Companies Any company as defined in Chapter 175 of the Massachusetts General Laws which engages in the business of health insurance

- Hospital Service Corporations Any corporation established for the purpose of operating a non-profit hospital service plan as provided for in Chapter 176A of the Massachusetts General Laws

- Medical Service Corporations Any corporation established for the purpose of operating a medical service plan as provided for in Chapter 176B of the Massachusetts General Laws

- Health Maintenance Organizations Any company which provides or arranges for the provision of health care services to enrolled members in exchange primarily for a prepaid per capita or aggregate fixed sum as further defined in Chapter 176G of the Massachusetts General Laws

- Preferred Provider Arrangements Any insured health benefit plan that includes a preferred provider arrangement which complies with the requirements of Chapter 176I of the Massachusetts General Laws.

VI. SCOPE OF SERVICES

The undersigned certifies that the bidding organization agrees to the Scope of Services found in Attachment A and is willing to have it incorporated as Attachment A to the Standard Contract - Long Form.

_____

Signature in blue ink of Authorized Officer

_____

Name and title of Authorized Officer

Attachment D

FEDERAL POVERTY INCOME GUIDELINES

FEDERAL POVERTY INCOME GUIDELINES
(EFFECTIVE FEBRUARY 15, 1993)

FAMILY SIZE	<=133%	134% - 200%	201% - 300%	301% - 400%	>=401%
1	<=$9,270	$9,271 - $13,940	$13,941 - $20,910	$20,911 - $27,880	>=$27,881
2	<=$12,542	$12,543 - $18,860	$18,861 - $28,290	$28,291 - $37,720	>=$37,721
3	<=$15,814	$15,815 - $23,780	$23,781 - $35,670	$35,671 - $47,560	>=$47,561
4	<=$19,086	$19,087 - $28,700	$28,701 - $43,050	$43,051 - $57,400	>=$57,401
5	<=$22,357	$22,258 - $33,620	$33,621 - $50,430	$50,431 - $67,240	>=$67,241
6	<=$25,629	$25,630 - $38,540	$38,541 - $57,810	$57,811 - $77,080	>=$77,081
7	<=$28,901	$28,902 - $43,460	$43,461 - $65,190	$65,191 - $86,920	>=$86,921
8	<=$32,173	$32,174 - $48,380	$48,381 - $72,570	$72,571 - $96,760	>=$96,761
9	<=$35,445	$35,446 - $53,300	$53,301 - $79,950	$79,951 - $106,600	>=$106,601
10	<=$38,716	$38,717 - $58,220	$58,221 - $87,330	$87,331 - $116,440	>=$116,441

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Attachment E
STRUCTURE FOR PREMIUM PROPOSAL
Part 1: Premium Calculation

PURE PREMIUM	Expected Use Rate (Units Per Thousand)	Expected Unit Cost	Cost PMPM
Type of Service			
Preventive and primary care services			
Laboratory/Radiology (Outpatient)			
Outpatient Surgery			
Pharmacy			
Mental Health			
Emergency Care			
Other (Specify)			
Sub-Total: Pure Premium			_____

RETENTION	
ITEM	COST PMPM
Administration (includes salaries, marketing and overhead)	
Eligibility Determination, Enrollment and Billing	
Data Collection and Reporting	
Risk Retention Charges	
Claims Administration (if applicable)	
Other (Specify)	
Sub-Total: Retention	_____

PREMIUM CALCULATION	COST PMPM
Premium	
Retention	
Total Premium Calculation	_____

Clearly describe the assumptions underlying each component of this calculation. Attach relevant supporting documentation.

Part 2: Premium Determination

Age	Purchaser		Purchaser Plus One		Purchaser Plus two or more	
	Loading Factor	Premium	Loading Factor	Premium	Loading Factor	Premium
6-12						

1. Insert the proposed loading factor for each tier combination, and the premium which results when the loading factor is applied to the revenue requirement calculated according to Part 1.

2. Clearly describe and document the calculations and assumptions used to determine these premiums.

Attachment F

STANDARD CONTRACT - LONG FORM

STATE FISCAL YEAR: _____

COMMONWEALTH OF MASSACHUSETTS STANDARD CONTRACT - LONG FORM

This Contract has been approved by the Executive Office for Administration and Finance and the Office of the Comptroller for use by all Commonwealth Departments. Alternative provisions may be made *ONLY* as specifically authorized herein:

COMMONWEALTH OF MASSACHUSETTS - *DEPARTMENT*:
ADDRESS:
CONTRACTOR NAME:
ADDRESS:
BRIEF DESCRIPTION OF CONTRACT SERVICES:
TOTAL MAXIMUM OBLIGATION OF CONTRACT: $
SUBSIDIARY: ___ ___ OBJECT CODE: ___ ___ ___ IS CONTRACT FUNDED WITH FEDERAL FUNDS? (account Type "04") _____ yes _____ no
CONTRACT START DATE: _____ 19_____ * (See Section 1. COMPENSATION for restrictions)
CONTRACT TERMINATION DATE: _____, 19_____.

For the purposes of this Contract the term "*services*" shall include "*obligations due, costs incurred, goods delivered and accepted, services rendered, programs provided, or pre-approved costs or uncancellable legal commitments authorized under this Contract.*" The Contractor agrees to perform the services outlined herein in accordance with the terms and conditions of this Contract, as follows:

1. *COMPENSATION.*

(a) *For Executive Departments covered by M.G.L.c.29, §29A (Object Codes CC, HH, II, NN)*: Even if an earlier start date is indicated above, the Contractor shall not be compensated for any services provided prior to the date that this Contract has been approved by the Department's Secretary in accordance with 801 CMR 20.00, provided however, that if this approval is obtained prior to the beginning of the state fiscal year in which the Contract will be performed, the effective start date of this Contract shall be the first day of that state fiscal year.

(b) *For M.G.L.c.29, §29A Exempt Departments OR Other Object Codes*: Even if an earlier start date is indicated above, the Contractor will not be compensated for any services provided prior to the date that this Contract has been executed by authorized signatories of both parties, provided however, that if this Contract is executed prior to the beginning of the state fiscal year in which the Contract will be performed, the effective start date of this Contract shall be the first day of that state fiscal year.

2. *FUNDING AND FISCAL YEAR APPROPRIATIONS*. Appropriations for expenditures by Departments of the Commonwealth are ordinarily made in the General Appropriation Act on a state fiscal year basis (July 1-June 30) as defined in M.G.L. c.4, §7. The obligations of the Department under this Contract for any state fiscal year are subject to the appropriation, allotment and availability of sufficient funds to discharge the Department's obligations under this Contract which accrue in that state fiscal year, and subject to the authorization to spend such funds for the purposes of this Contract. Pursuant to M.G.L. c.29, §26, in the absence of such appropriation, allotment, availability or authorization, this Contract shall be terminated immediately upon the Contractor's receipt of written notice of termination. If the Contractor is a recipient of federal funds from the Department, the Contractor agrees to comply with all federal requirements including but not limited to federal audits. Not-for-profit corporations that receive federal funds from the Department must comply with the audit requirements outlined in the federal Office of Management and Budget OMB Circular A-133, or as amended. Any additional federal requirements shall be specified by the parties in ATTACHMENT A - SCOPE OF SERVICES AND ADDITIONAL TERMS AND CONDITIONS (hereinafter referred to as "ATTACHMENT A") of this Contract.

3. *PAYMENTS.* No payments shall be made to the Contractor prior to the date that the executed Contract, including all relevant attachments, authorized signatures and approvals, has been filed with the Office of the Comptroller. The Contractor shall only be compensated for services actually provided during the period of this Contract which are specifically identified in ATTACHMENT A of this Contract. Payments to the Contractor shall not exceed either the maximum obligation identified above or the rates and budget line-items specifically identified in ATTACHMENT B - BUDGET AND APPROVED EXPENDITURES (hereinafter referred to as "ATTACHMENT B") of this Contract. Any additional payment provisions, allowable variations in budget line-items amounts, authorized travel expenditures and rates, and budget restrictions shall be specifically detailed by the parties in ATTACHMENT A of this Contract. The acceptance by the Contractor of the last payment for services performed or goods delivered upon completion of this Contract or upon termination, without any written objection, shall in each instance operate as a release and discharge of the Commonwealth, the Department, its agents and employees, from all claims, liabilities, responsibilities or other obligations relating to the performance of this Contract.

4. *PAYMENT MECHANISM.*

(a) *Contractor Payroll System.* This payment mechanism shall be used *ONLY* for "*Individual*" Contractors who have been determined to be "*Contract Employees*" in accordance with the Omnibus Budget Reconciliation Act (OBRA) 1990 upon the Department's completion of an Internal Revenue Service SS-8 form. All mandatory payroll deductions including state and federal taxes and retirement coverage shall be made automatically under this payment mechanism. The Contractor's supervisor, timesheet submission procedures and additional provisions shall be specified in ATTACHMENT A of this Contract.

(b) *Payment Voucher System.* This payment mechanism shall be used for *ALL* Contracts *unless* payments are required to be made under the *Contractor Payroll System.* The Department shall review *Payment Vouchers (Form PV)* or other approved invoices submitted by the Contractor, along with any required supporting documentation, and either return any unapproved invoice within fifteen (15) calendar days of its receipt with a written explanation for the its rejection, or shall make every effort to process payment of an approved invoice within forty-five (45) calendar days of its receipt, in accordance with the Office of the Comptroller regulation 815 CMR 4.00. Invoices for services provided during any state fiscal year (July 1-June 30) must be submitted for payment, with any required supporting documentation, *no later than* the fifteenth (15th) day of August immediately following the end of that state fiscal year, or payments to the Contractor may be delayed without penalty to the Department. The format, detail and contents of invoices, any required supporting documentation, invoice submission procedures, Department individual(s) and address(es) to receive invoices, and additional payment procedures shall be specified by the parties in ATTACHMENT A of this Contract.

5. *TERMINATION.* This Contract shall terminate on the date specified above, unless terminated prior thereto as follows:

(a) *Without Cause.* Either party may terminate this Contract, without cause and without penalty, by providing the other party with prior written notice of termination. Unless a different notice period is specified by the parties in ATTACHMENT A of this Contract, such prior written notice shall be delivered to the other party at least thirty (30) calendar days before the effective date of termination.

(b) *For Cause.* If the Contractor breaches any material term or condition of this Contract, or fails to perform or fulfill any material obligation required by this Contract, the Department may terminate or suspend this Contract by providing the Contractor with prior written notice of termination or suspension. Unless a different notice period is specified by the parties in ATTACHMENT A of this Contract, such prior written notice shall be delivered to the Contractor at least seven (7) calendar days before to the effective date of termination or suspension. The Department reserves the right to terminate this Contract immediately in the event of the Contractor's criminal indictment, participation in fraudulent activities, or in the event the Contractor files for bankruptcy.

(c) *Emergency.* The Department may immediately terminate or suspend this Contract, without penalty, if the Department determines that an unanticipated emergency situation exists, through no fault of the Department, which by law mandates immediate Department action to protect state or federal funds, property or persons, or to remedy damages which have already occurred. Such termination or suspension shall be effective upon the Contractor's receipt of written notice of either suspension or termination.

(d) *Elimination or Reduction of Funding.* In the event of an elimination or reduction of funding, for any reason, and through no fault of the Department, the Department may terminate or suspend this Contract, without penalty, by providing the Contractor with prior written notice of termination or suspension. Unless a different notice period is specified by the parties in ATTACHMENT A of this Contract, such prior written notice to the Contractor shall be made at least fourteen (14) calendar days before to the effective date of termination or suspension.

(e) *Force Majeure.* Neither the Department nor the Contractor shall be liable to the other nor be deemed to be in breach of this Contract for failure or delay in rendering performance arising out of causes factually beyond their control and without their fault or negligence. Such causes may include, but are not limited to: Acts of God or the public enemy, wars, fires, floods, epidemics, quarantine restrictions, strikes, unforseen freight embargoes or unusually severe weather. Dates or times of performance shall be extended to the extent of delays excused by this section, provided that the party whose performance is affected notifies the other promptly of the existence and nature of such delay. Unless otherwise provided by law, or unless otherwise specified by the parties in ATTACHMENT A of this Contract, the performance dates of this Contract are of the essence and important to the implementation of essential Department work, and continued failure by the Contractor to perform for an *extended period*, even for causes beyond the control of the Contractor, shall afford the Department the right to immediately terminate this Contract upon the Contractor's receipt of written notice of termination. Unless a different period is specified by the parties in ATTACHMENT A of this Contract, an *extended period* shall be any period aggregating thirty (30) or more calendar days.

6. *OBLIGATION IN EVENT OF TERMINATION OR SUSPENSION.* The notice of termination or suspension from the Department shall state the circumstances of the termination or suspension, identify any alleged breach, a reasonable period to cure any alleged breach, if applicable, and any instructions or restrictions concerning any allowable activities or costs during this notice period. If the Contractor is not in default or breach of the terms of this Contract, the Department shall promptly pay the Contractor for all services provided up until the date of termination or suspension, provided the Contractor submits invoices for payment, with any required supporting documentation, pursuant to the provisions of Section 4. above, and makes every reasonable effort to minimize any such costs incurred.

7. *NOTICE.* Any written notice shall be deemed delivered and received when given in person or mailed to the signatory of this Contract, or other individual identified in ATTACHMENT A of this Contract, or when delivered by any other appropriate method evidencing actual receipt by the addressee.

8. *RECORDKEEPING, PROGRAMMATIC AND FISCAL REPORTS, INSPECTION OF RECORDS AND AUDITS.* The Contractor shall maintain books, records and other compilations of data, in such detail as shall properly substantiate claims for payment under this Contract. The Contractor shall comply with any programmatic or fiscal reporting requirements identified in ATTACHMENT A of this Contract, including format, contents, detail and submission requirements. The Contractor's failure to timely submit required reports may be considered a material breach of this Contract and may subject the Contractor to delayed or reduced payments without penalty to the Department. All such records and reports shall be kept for a minimum period of seven (7) years or until the resolution of any litigation, claim, negotiation, audit or other action involving the records which arises at any time during the retention period, which shall begin on the first day after final payment under this Contract. Pursuant to Executive Order 195, or as amended, the Department, the Governor, the Secretary for Administration and Finance, the State Auditor, or their duly authorized designees, shall have access, at reasonable times and upon reasonable notice, to the books, records, reports and other compilations of data of the Contractor which pertain to the provision of goods and services and other requirements of this Contract. Such access shall include on-site audits, review and photocopying of such records, reports or other data, at a reasonable expense. The Department shall make a good faith effort to coordinate multiple requests by the aforementioned agencies to reduce any hardship or undue burden on the Contractor.

9. *SUBCONTRACTING BY CONTRACTOR.* The Contractor may use subcontractors in the performance of this Contract *ONLY* upon the prior written approval of the Department. Such prior written approval may be included in ATTACHMENT A of this Contract. A subcontract shall not relieve or discharge the Contractor from any obligation, responsibility or liability under this Contract. All subcontracts shall be in writing and contain provisions which are functionally identical to, consistent with, and subject to the provisions of this Contract. Unless otherwise provided by law, the Commonwealth shall not be obligated or bound by any provisions contained in a subcontract to which it is not a party. Upon written request by the Department, the Contractor shall provide a copy of any subcontract which is funded by this Contract. The Contractor agrees to take affirmative steps to utilize certified small businesses, certified minority and women-owned businesses, and businesses or firms owned or controlled by socially or economically disadvantaged individuals or individuals with disabilities, as sources of supplies and subcontracted services. Any additional subcontracting provisions shall be specified in ATTACHMENT A of this Contract.

10. *ASSIGNMENT BY CONTRACTOR.* The Contractor may not assign or delegate, in whole or in part, or otherwise transfer any liability, responsibility, obligation, duty or interest under this Contract, provided however, that the Department may approve the assignment of present and prospective claims for money due and owing to the Contractor pursuant to this Contract to a bank, trust company or other financial institution insured by the Federal Deposit Insurance Corporation (FDIC). Absent such approval by the Department, or other judicial mandate or legislative requirement, the Department shall have no legal obligation to transfer any payments to the Contractor's assignee. Any authorized complete or partial assignment of the Contractor's interest in this Contract shall require the assignee to supply such information as the Department deems necessary to comply with the Commonwealth rules and regulations governing contracts for services, and shall be expressly made subject to all defenses, set-offs, or counter-claims which would have been available to the Commonwealth against the Contractor without such assignment.

11. *FORUM AND CHOICE OF LAW.* Any actions arising out of this Contract shall be governed by the laws of the Commonwealth of Massachusetts, and shall be brought and maintained in a state or federal court within the Commonwealth which shall have exclusive jurisdiction thereof.

12. *NON-DISCRIMINATION AND AFFIRMATIVE ACTION.* The Contractor agrees to comply with all applicable Federal and State statutes, rules and regulations prohibiting discrimination in employment, including but not limited to, the Americans with Disabilities Act 42 USC 12101, 28 CFR Part 35, or as amended; 29 USC §791 et.seq.; Executive Orders 227, 237, 246; M.G.L.c.151B; and M.G.L.c.272, §92A, §98 et.seq., or any amendments to these provisions. Pursuant to Executive Orders 227 and 246, the Contractor is required to take affirmative actions designed to eliminate the patterns and practices of discrimination including providing written notice of its commitment to non-discrimination to any labor association with which it has an employment agreement, and to certified minority and women-owned businesses, and organizations or businesses owned by individuals with disabilities. The Commonwealth shall not be liable for any costs associated with the Contractor's defense of claims of discrimination. Any additional non-discrimination or affirmative action provisions shall be specified in ATTACHMENT A.

13. *POLITICAL ACTIVITY PROHIBITED AND ANTI-BOYCOTT WARRANTY.* The Contractor may not use any Contract funds and none of the services to be provided by the Contractor may be used for any partisan political activity or to further the election or defeat of any candidate for public office. Pursuant to Executive Order 130, or as amended, neither the Contractor nor any affiliated company of the Contractor shall participate in or cooperate with any international boycott, as defined in Section 999 (b) (3) and (4) of the Internal Revenue Code of 1954, or as amended; nor shall either engage in conduct declared to be unlawful by M.G.L.c.151E, §2. As used herein, an affiliated company shall be any business entity of which at least 51% of the ownership interests are directly or indirectly owned by the Contractor or by a person or persons, or a business entity or entities which directly or indirectly owns at least 51% of the ownership interest of the Contractor or any business entity which directly or indirectly owns 51% ownership interest in the Contractor.

14. *INTELLECTUAL PROPERTY RIGHTS, PUBLICITY, PUBLICATION, REPRODUCTION AND USE OF CONTRACT MATERIALS.*

(a) *Deliverables.* Upon the termination of this Contract, the originals of all finished and unfinished, documents, data, studies, reports, manuals, materials or other "*deliverables*", identified in ATTACHMENT A of this Contract, prepared or delivered by the Contractor pursuant to this Contract, or paid for with Contract funds,

shall become the property of the Department, and the Commonwealth shall have title and own the copyright in such "*deliverables*". "*Deliverables*" shall also include equipment or furnishings provided by the Department or purchased with Contract funds. The Contractor shall have a royalty-free non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use these "*deliverables*" whether published or unpublished, unless such use is restricted in ATTACHMENT A of this Contract. If the Commonwealth provides financial assistance or support for jointly funded or jointly sponsored initiatives, programs, research or other Contractor operations, the Department may require the Contractor to use reasonable means to inform the public that the Department provides financial support for these activities. The Contractor shall not make any application for patent or copyright of any "*deliverables*" without the prior written consent of the Department. Unless other procedures are specified by the parties in ATTACHMENT A of this Contract, the Contractor shall submit all *deliverables* and return all Department or Commonwealth-owned data, materials, and documents to the Department within seven (7) calendar days of receipt of the Department's written request or upon termination of this Contract. Unless otherwise specified by the parties in ATTACHMENT A of this Contract, the Contractor shall not make any press statements or issue any material for publication, derived from the *deliverables* under this Contract without the prior written approval of the Department.
(b) *Non-deliverables.* The originals of finished and unfinished, documents, data, studies, reports, manuals, materials or programs provided by the Contractor which are *not* copyrightable by the Department or which are *already owned or copyrighted* by the Contractor shall be specifically identified as "*non-deliverables*" in ATTACHMENT A. The Commonwealth shall have a royalty-free non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use any *non-deliverables* identified in ATTACHMENT A of this Contract, unless specific restrictions on such use are specified in ATTACHMENT A.
15. *CONFIDENTIALITY.* The following provisions shall apply *only* in the event the Contractor acquires or has access to "*personal data*" of the Department, or on behalf of the Department, and becomes a "*holder*" of personal data as defined by M.G.L. c. 66A. The Contractor shall at all times recognize the Department's ownership of Department personal data and the exclusive right and jurisdiction of the Commonwealth and "data subjects" (as defined in Chapter 66A) to control the use of personal data. The Contractor shall immediately notify the Department both orally and in writing if any Department personal data in the Contractor's possession is subpoenaed, improperly used, copied or removed by anyone except an authorized representative of the Department. The Contractor shall enjoin or prevent the misuse, regain possession, and otherwise protect the Commonwealth's rights in its personal data and ensure the data subject's privacy. The Department shall have full access to any of its personal data held by the Contractor without the consent of the data subject. The Contractor shall take reasonable steps to prevent any unauthorized access, or physical damage, to such data under its control. The Contractor shall use the Department's personal data, and material derived from such data, only as necessary for the performance of this Contract. The Department's personal data shall be delivered to the Department within fourteen (14) calendar days after termination of this Contract, unless other procedures are specified by the parties in ATTACHMENT A of this Contract.
16. *INDEMNIFICATION.* Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the Commonwealth, including the Department, its agents, officers and employees against any and all liability and damages the Commonwealth may sustain or incur in connection with the performance of this Contract by reason of acts, inactions, omissions, negligence or reckless or intentional conduct of the Contractor, its agent(s), officers, employees or subcontractors; provided that the Contractor is notified by the Commonwealth of any claim within a reasonable time after the Commonwealth becomes aware of it, and the Contractor is afforded an opportunity to participate in the defense of such claim and any negotiated settlement agreement or final judgment. Indemnification by or for an "*Individual*" Contractor paid under the "*Contractor Payroll System*" shall be determined in accordance with the provisions of M.G.L. c. 258.
17. *WAIVERS.* Forbearance or indulgence in any form or manner by a party shall not be construed as a waiver, nor in any way limit the legal or equitable remedies available to that party. No waiver by either party of any default or breach shall constitute a waiver of any subsequent default or breach.
18. *AMENDMENTS.* No amendment to this Contract shall be effective unless it is executed by authorized representatives of both parties in accordance with all applicable laws, regulations and procedures and filed with the original Contract at the Office of the Comptroller. Any amendment by the parties which deletes or replaces any printed boilerplate language of this Contract shall be considered void as a matter of Commonwealth policy and may result in the rejection of this Contract by the Office of the Comptroller. Any authorized alternative provisions or additional terms and conditions to this Contract that the parties are directed to specify in ATTACHMENT A shall not delete or replace any boilerplate language, but shall clearly and specifically establish the understanding, intent, obligations, responsibilities and expectations of the parties under this Contract.
19. *SEVERABILITY, HEADINGS AND INTERPRETATION, INTEGRATION.* If any provision of this Contract is found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations under that provision, provided however, that the remainder of the Contract shall be enforced to the fullest extent permitted by law. The headings used herein are for reference and convenience only and shall not be a factor in the interpretation of this Contract. The parties understand and agree that this Contract, including ATTACHMENT A, ATTACHMENT B, and any additional attachments referenced in this Contract shall supersede all other verbal negotiations and written agreements relating to the performance of this Contract, including contracts provided by the Contractor.
20. *EXECUTION AND CERTIFICATIONS.* IN WITNESS WHEREOF, the Department and the Contractor certify that this Contract is executed by their respective authorized signatories, as of the last date set forth below, and the CONTRACTOR CERTIFIES, UNDER THE PAINS AND PENALTIES OF PERJURY, THAT IT IS IN COMPLIANCE WITH EACH OF THE FOLLOWING:

(Complete All Blanks Indicated by an arrow ("→") or Contract Will Be Rejected. Attach additional sheets if necessary.)

(a) *Qualifications and Taxes.* The Contractor represents that it is qualified to perform the services required under this Contract and possesses or shall obtain all requisite licenses and permits. Pursuant to M.G.L. c.62C, §49A, the Contractor has complied with all laws of the Commonwealth relating to taxes.
(b) *Employment Security Contributions and Compulsory Workers' Compensation Insurance.* (*Employers Only*) Pursuant to M.G.L.c.151A, §19A and M.G.L.c. 152, the Contractor certifies compliance with all laws of the Commonwealth relating to payments to the Employment Security System and all Commonwealth laws relating to required workers' compensation insurance policies.

→(c) *Additional Income Disclosure. (M.G.L. c.29, §29A Contracts only. Object Codes "CC", "HH", "JJ", "NN")* The Contractor certifies that the following amounts represent all income due, or to become due, to the Contractor, for services rendered to the Commonwealth, any political subdivision or public authority, during the period of this Contract. *(Complete information below or Check "√" here if: _____ none; _____ not applicable)*

PUBLIC ENTITY	PURPOSE	INCOME DUE/CONTRACT AMOUNT

→(d) *Disclosure of Persons with Financial Interest.* *(M.G.L. c.29, §29A Contracts only. Object Codes "CC", "HH", "JJ", "NN")* Pursuant to the provisions of M.G.L. c. 29, §29A and c.7A, §6., the following is a list of names of all persons having a financial interest in this Contract, including persons with more than one percent (1%) interest in the capital stock of the Contractor: *(Complete information below or Check ✓ here if: _____ none; _____ not applicable)*

NAMES	ADDRESSES

(e) *Provision of Child Care.* *(Effective for all Contracts awarded on or after 7/1/92.)* The Contractor certifies that, at the time of execution, it is in compliance with the provisions of the Acts of 1990, c.521, §7 as amended by the Acts of 1991, c. 329 and 102 CMR 12.00, and that the Contractor is either a "qualified employer" (it has fifty (50) or more full time employees and has established a dependent care assistance program, child care tuition assistance, or on-site or near-site child care placements) or the Contractor is an "exempt employer".

(f) *Certificates and Reports.* The Contractor certifies that pursuant to M.G.L. c.156B, §109 (business corporations), c.180, §26A (non-profit corporations), c.181, §4 (foreign corporations) and c.12, §8F (public charities), it has filed all certificates and reports with the Secretary of State and the Attorney General's Office.

(g) *Debarment.* The Contractor is not currently debarred or suspended by the Commonwealth of Massachusetts, or any of its entities or subdivisions, under any Commonwealth law or regulation, including but not limited to Executive Order 147, M.G.L. c.29, §29F and M.G.L. c.152, §25C, or by the federal government.

→(h) *Key Personnel.* *((M.G.L. c.29, §29A Contracts only. Object Codes "CC", "HH", "JJ", "NN"))* The Contractor certifies that any named key personnel are the Contractor's employees and shall be required unless that individual becomes unavailable for performance under this Contract for reasons of the individual's death, disability, incapacity, relocation, retirement, resignation or termination of the underlying employment relationship. The Contractor shall notify the Department immediately in the event of the unavailability of any key personnel. The procedures for replacing or removing key personnel of the Contractor shall be specified in ATTACHMENT A of this Contract. *THE CONTRACTOR SHALL ATTACH A RESUME FOR ALL KEY PERSONNEL UNDER THIS CONTRACT.*

(i) *Executive Order 346.* For Privatization Contracts, the Contractor certifies that during the period of this Contract it shall not hire any Department state management employee who has been involved in the preparation of the RFP, negotiations leading to the decision to award this Contract, or shall be involved in the supervision or oversight of the performance of this Contract.

→(j) *Contractor Signatory Authorization.* *(Check ✓ one option only, and Complete Certification at bottom of page if required as follows):*

____ Individual
____ Public Authority (M.G.L. c.29, §1)
____ Private Non-State University (State Universities must follow 815 CMR 6.00 and use an ISA)
____ Municipality, County, City, Town, District, Commission or other Local Governmental Entity
____ Massachusetts Corporation (Domestic)*
____ Non-Mass Corporation (Foreign)*
____ Non-U.S. Corporation (Alien) *
____ Not-For-Profit Corporation *
____ Partnership **
____ Trust **
____ Other:

* *(If Contract exceeds $10,000.00 Complete Certification below with Corporate Seal by Clerk or attach Board of Director's Vote.)*
** *(If Contract exceeds $10,000.00 Complete Certification below with notarized authorized signature.)*

→ CONTRACTOR: _____ DEPARTMENT: _____
(print or type) (print or type)

→ X_____ X_____
(signature) (signature)

→ SIGNATORY: _____ SIGNATORY: _____
(print or type name if different from Contractor above) (print or type name)

→ TITLE: _____ TITLE: _____
(print or type) (print or type)

→ DATE: _____ DATE: _____

→ *CORPORATION*, PARTNERSHIP**, or TRUST CERTIFICATION***: I, _____ as Clerk of the aforementioned Corporation, or as a Notary Public, hereby attest to the fact that the aforementioned signatory of the Contractor is authorized to execute contracts and that obligations in this signatory's name shall be binding and valid on this Contractor, as witnessed to under the pains and penalties of perjury this _____ day of _____, 19____.

X_____
Signature of Corporate Clerk or Notary Public

_____
Clerk or Notary Seal

INSTRUCTIONS: In order to ensure that the Department and the Contractor have a clear understanding of their respective responsibilities and performance expectations under this Contract, the following ATTACHMENT shall contain a specific and detailed description of ALL the obligations and responsibilities of the parties.

Attach additional pages if necessary. Sections referenced in brackets "[ ]" refer to specific Sections in the Contract boilerplate. ALL SECTIONS OF THIS ATTACHMENT MUST BE COMPLETED OR THE CONTRACT WILL BE REJECTED.

SCOPE OF SERVICES, RESPONSIBILITIES OF PARTIES, PERFORMANCE MEASUREMENTS. [Section 3.]

The following outlines the obligations due, goods to be delivered, services or be performed, programs or "*deliverables*" to be provided to or on behalf of the Department; the duties and responsibilities of the parties; performance objectives, goals or requirements; performance measurements that the Department will use to measure compliance and to monitor satisfactory performance; any applicable performance dates, deadlines, schedule of delivery dates: *(Check "✓" one option only, and complete):*

_____ as outlined in ATTACHMENT _____ (specify letter or number)
_____ outlined as follows:

ADDITIONAL FEDERAL REQUIREMENTS. [Section 1.(c)] *(Check "√" one option only, and complete if applicable):*

___ Not applicable, this Contract is not funded with federal funds, or no additional federal requirements apply to this Contract.
___ The Contractor shall comply with the following additional federal requirements, statutes, or regulations: *(Check "√" one option only, and complete):*

_____ as outlined in ATTACHMENT _____ (specify letter or number)
_____ outlined as follows:

TRAVEL AND RELATED REIMBURSEMENTS. [Section 3.] *(Check "√" one option only, and complete if applicable):*

___ Not applicable, the Contractor *SHALL NOT* be reimbursed for travel expenses or meals under this Contract.
___ The Contractor *SHALL* be reimbursed for approved travel expenses or meals as follows: *(Check "√" one option only, and complete):*

_____ at the same rates as Commonwealth employees.
_____ as outlined in ATTACHMENT _____ (specify letter or number)
_____ outlined as follows: (specify rates, approval process, authorized travel)

BUDGET LINE-ITEM VARIATIONS. [Section 3.] Variations among individual budget line-items which DO NOT alter the maximum obligation of the Contract: *(Check "√" one option only, and complete if applicable):*

___ Not applicable to this Contract.
___ *SHALL NOT* be permitted without the *prior written approval* of the Department.
___ *SHALL* be permitted without the prior written approval of the Department, with the following restrictions: *(Check "√" one option only, and complete if applicable:)*

___ the variation in line-item expenditures may not result in a fifty percent (50%) increase or reduction in any budget line-item amount. Variations which result in an increase or reduction of more than 50% percent of any budget line-item amount shall be considered a material change to the Contract and *shall require the prior written approval* of the Department.
___ the variation in line-item expenditures may not exceed ten percent (10%) of the maximum obligation of the Contract. Variations which exceed 10% of the maximum obligation of the Contract shall be considered a material change to the Contract and *shall require the prior written approval* of the Department.
___ the Contractor provides at least fourteen (14) calendar days notice to the Department prior to the effective date of the intended variation in budget line-item and the variation does not result in an increase in any prior approved unit rate, hourly rate, price increase or an increase in the maximum obligation of the Contract.
___ as outlined in ATTACHMENT _____ (specify letter or number)
___ outlined as follows:

PAYMENT MECHANISM [Section 4.]

Contractor Payroll System. [Section 4.(a)] *(Check "✓" one option only, and complete if applicable):*

___ Not applicable to this Contract, the Contractor is paid through the "*Payment Voucher System*".
___ The Contractor's Department supervisor, timesheet submission procedures, and any additional personnel procedures or provisions are outlined:

___ in ATTACHMENT _____ (specify letter or number)
___ as follows:

Payment Voucher System. [Section 4.(b)] *(Check "✓" one option only, and complete if applicable):*

___ Not applicable to this Contract, the Contractor is paid through the "*Contractor Payroll System*".
___ a description of any required supporting documentation, the format, detail, contents, for invoices and supporting documentation, submission procedures for invoices including Department individual(s) and address(es) to receive invoices, and any additional payment procedures or provisions are outlined:

___ in ATTACHMENT _____. (specify letter or number)
___ as follows:

NOTICE OF TERMINATION OR SUSPENSION PERIODS. [Section 5.] *(Check "✓" one option only, and complete if applicable):*

_____ Not applicable, no changes to the notice periods have been negotiated by the parties.
_____ The following notice periods have been negotiated by the parties:

___ as outlined in ATTACHMENT _____ (specify letter or number)
___ as outlined as follows:

NOTICE. [Section 7.] Additional individuals to receive notice if different from signatories, include addresses: (Indicate "N/A" if not applicable)

To The Department:

To the Contractor:

CONTRACTOR FISCAL AND PROGRAMMATIC REPORTS. [Section 8.] *(Check "√" one option only, and complete if applicable)*

___ Not applicable, additional reports *SHALL NOT* be required under this Contract.
___ The Contractor *SHALL* provide detailed fiscal and programmatic reports on the services, goods or programs provided, and the expenditures made under this Contract. Time schedules for submission of reports (monthly, quarterly, annually) format, detail and contents requirements of reports, Department individual and address where reports are to be sent, individuals to receive any additional copies of reports, and any additional procedures or reporting requirements:

___ as outlined in ATTACHMENT _____ (specify letter or number)
___ outlined as follows:

SUBCONTRACTING BY THE CONTRACTOR. [Section 9.] *(Check "√" one option only, and complete if applicable:)*

_____ Not applicable, the Contractor may *NOT* use subcontractors in the performance of this Contract.
_____ The Contractor may use subcontractors in the performance of this Contract *ONLY* upon the *prior written authorization* of the Department.
_____ The Contractor *SHALL* be authorized to use subcontractors in the performance of this Contract. Additional subcontracting provisions or restrictions are outlined: *(Check "√" one option only, and complete if applicable):*

___ Not applicable, there are no additional subcontracting provisions in addition to Section 9. of this Contract.
___ in ATTACHMENT _____ (specify letter or number)
___ as follows: (specify)

NON-DISCRIMINATION AND AFFIRMATIVE ACTION PLAN. [Section 12.]

(a) Pursuant to Executive Orders 227, 237 and 246, any Contract with a maximum obligation of fifty thousand ($50,000) dollars or more requires the Contractor to file an Affirmative Action Plan outlining the Contractor's commitment to ensure non-discrimination in employment and purchasing, and commitments to purchasing supplies, equipment or services from certified minority or women-owned businesses, or businesses owned by persons with disabilities. *(Check "✓" one option only, and complete if applicable:)*

____ Not applicable, this Contract has a total maximum obligation of less than $50,000.00 dollars.
____ The Contractor has attached a copy of the Contractor's Affirmative Action Plan to this Contract.
____ The Contractor has filed an approved copy of the Contractor's Affirmative Action Plan with the Department.
____ The Contractor certifies that a copy of the Contractor's Affirmative Action Plan is on file and available for review upon written request by the Department.

(b) Any additional non-discrimination or affirmative action provisions or prohibitions are outlined: *(Check "✓" one option only, and complete if applicable:)*

____ Not applicable, no additional provisions or prohibitions are required in addition to Section 12. of this Contract.
____ in ATTACHMENT _____ (specify letter or number)
____ as follows:

CONFIDENTIALITY. [Section 15.] *(Check "✓" one option only, and complete if applicable:)*

_____ Not applicable to this Contract. The Contractor in performance of this Contract will *NOT* acquire or have access to "*personal data*" of the Department and therefore will *NOT* be a "*holder*" of personal data of the Department as defined by M.G.L. c. 66A.
_____ The Contractor *SHALL* be a "*holder*" of the Department's personal data as defined in M.G.L. c. 66A. Any additional provisions for physical security, use or the return of any personal data to the Department or additional confidentiality requirements are:

____ Not applicable, no provisions are required in addition to Section 15. of this Contract.
____ outlined in ATTACHMENT _____ (specify letter or number)
____ outlined as follows:

KEY PERSONNEL [Section 20.(a)] (M.G.L. c.29, §29A Contracts only. Object Codes "CC", "HH", "JJ", "NN"). The Contractor is required to attach a resume for the Contractor if an Individual, or for all key personnel of the Contractor who will be assigned to the performance of this Contract. The following procedures shall be followed for replacing or removing key personnel of the Contractor: *(Check "✓" one option only, and complete if applicable):*

___ Not applicable to this Contract, either because the Department is exempt from M.G.L. c.29, §29A, this is not a "CC","HH","JJ","NN" object code, or there are no key personnel assigned by the Contractor under this Contract.
___ Not applicable, Contractor is an Individual, and the Contract will terminate if Contractor becomes unavailable.
___ The Contractor shall have full discretion in replacing or removing any key personnel under this Contract.
___ The Contractor may replace or remove key personnel *ONLY* upon prior written notification to the Department.
___ Since the key personnel are a material element of the Contract, the Contractor shall replace or remove key personnel *ONLY* upon the prior written approval of the Department.
___ as outlined in ATTACHMENT _____ (specify letter or number)
___ outlined as follows:

INTELLECTUAL PROPERTY RIGHTS, PUBLICITY, PUBLICATION, REPRODUCTION AND USE OF MATERIAL. [Section 14.]

(a) *Deliverables.* The following is a list or description of the original documents, data, studies, reports, manuals, materials or other "*deliverables*", that will be prepared or delivered by the Contractor pursuant to this Contract, or paid for with Contract funds, and which *SHALL* become the property of the Department and which the Commonwealth shall have title and own the copyright, including equipment or furnishings provided by the Department or purchased with Contract funds: *(Check "√" one option only, and complete if applicable, include any additional provisions or restrictions):*

____ Not applicable, there are NO "*deliverables*" that will be owned by the Department at the termination of this Contract, or performance will be completed with "*non-deliverables*" as outlined below which are not copyrightable by the Department, or are already owned or copyrighted by the Contractor.
____ as outlined in ATTACHMENT ____. (specify letter or number)
____ outlined as follows:

(b) *Non-deliverables.* The following is a list or description of the original documents, data, studies, reports, manuals, materials or programs that will be provided by the Contractor which are *NOT* copyrightable by the Department or which are *already owned or copyrighted* by the Contractor and shall be provided or used in the performance of this Contract: *(Check "√" one option only, and complete if applicable, include any additional provisions or restrictions):*

____ Not applicable, there will *NOT* be any "*non-deliverables*" provided or used in the performance of this Contract.
____ as outlined in ATTACHMENT _____ (specify letter or number)
____ outlined as follows:

(c) Before the Contractor, any of its officers, agents, employees or subcontractors, either during or after termination of the Contract, makes any statement to the press or issues any material for publication, derived from the deliverables received under this Contract, the Contractor shall: *(Check "√" one option only, and complete if applicable)*

_____ Not applicable, the Contractor certifies that no such press statements or publications shall be made.
_____ obtain the prior written approval of the Department.
_____ provide the Department with at least seven (7) calendar days prior written or facsimile notification.
_____ follow procedures outlined in ATTACHMENT _____ (specify letter or number)
_____ follow procedures outlined as follows: (specify)

INSURANCE. The Contractor shall be required to obtain the following additional insurance or bond(s) to cover the performance of services under this Contract. These amounts will be in addition to any statutorily required amounts or other reasonable amounts of liability insurance already carried by the Contractor: (Check "✓" one option only, and complete if applicable):

____ Not applicable, the Contractor shall *NOT* be required to provide any additional insurance or bonds for the performance of services under this Contract.
____ as outlined in ATTACHMENT ___. (specify letter or number)
____ outlined as follows: (specify type of insurance or bond(s) required, specifications, liability amounts, restrictions and proof of fulfillment requirements)

ADDITIONAL TERMS AND CONDITIONS [Section 18.] *(Check "✓" one option only, and complete if applicable):*

____ Not applicable, no additional provisions or prohibitions are required in addition to those already outlined herein.
____ additional provisions are outlined in ATTACHMENT _____ (specify letter or number)
____ additional provisions are outlined as follows:

LISTING OF ATTACHMENTS. [Section 19.] The following is a complete listing of all attachments:

(a) ATTACHMENT A - SCOPE OF SERVICES AND ADDITIONAL TERMS AND CONDITIONS
ATTACHMENT B - BUDGET AND APPROVED EXPENDITURES

ATTACHMENT ___ -

ATTACHMENT ___ -

(b) Check "✓" here if a Request For Proposals (RFP) is referenced or attached to this Contract _____ YES _____ NO

ATTACHMENT B - BUDGET AND APPROVED EXPENDITURES

[The Department and the Contractor may complete this format or attach an approved alternative Budget format or invoice.]
Items identified below which are not part of Contract should be left blank.
Attach as many additional copies of this format as necessary, Maximum obligation should appear as last entry.

CONTRACT EXPENDITURES	UNIT RATE (per unit, hour, day)	NUMBER OF UNITS	OTHER FEES OR CHARGES (specify)	TOTAL
				$
				$
				$
				$
				$
				$
Photocopies	$_____ @ copy	# of Units _____		$
Equipment rental or supplies (specify)				
Materials/Supplies (specify)				$
Mileage	$_____ @ mile	# of Miles _____		$
Meals	$_____ @ meal	# of Meals _____		$
				$
SUBTOTAL (this page)				$

NOT APPLICABLE
PLEASE SEE ATTACHMENT B
BELOW

MAXIMUM OBLIGATION	$

Page ____ of ____ budget pages

ATTACHMENT B IS SUBJECT TO ANY RESTRICTIONS OR ADDITIONAL PROVISIONS OUTLINED IN ATTACHMENT A

Attachment G

References

Blendon, Robert J., Karen Donelan, et al. Final Report: A Household Survey of Health Insurance Statusof Massachusetts Residents. A Report of the of the Harvard School of Public Health, Louis Harris and Associates and the Department of Medical Security. October 1990.

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Cunningham, Peter J. and Alan C. Monheit. "Insuring the Children: A Decade of Change." Health Affairs. Winter 1990:76-90.

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